IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
ULTRA PETROLEUM CORP., *et al.*,	§	Case No. 16-32202 (MI)
Debtors.	§	(Jointly Administered)

THE SENIOR CREDITOR COMMITTEE'S OPPOSITION TO REORGANIZED DEBTORS' AMENDED MOTION TO PERMIT PARTIAL RELEASE OF THE RESERVE ACCOUNT AND TO APPROVE SUFFICIENCY OF SECURITY FOR STAY PENDING APPEAL

PRELIMINARY STATEMENT

1. After multiple rounds of briefing and argument, this Court held that because the Plan[1] treats the OpCo Funded Debt Claims as unimpaired, the Reorganized Debtors must pay interest in accordance with, and at the rate provided in, the underlying contracts to ensure that the legal, equitable and contractual rights of the holders of the OpCo Funded Debt Claims remain unaltered. In doing so, the Court expressly rejected the Reorganized Debtors' argument that the federal judgment rate should apply to the interest portion of such Claims. Undeterred by their complete defeat, however, the Reorganized Debtors are at it again, seeking to enjoy a (nearly) free option of an appeal that would have the effect of delaying for years the distributions on account of the OpCo Funded Debt Claims while depriving the holders of such claims the accrual of contractual default interest to which this Court has confirmed they are entitled.

2. Through their Amended Motion,[2] the Reorganized Debtors seek once again to disregard the terms of the Plan and Confirmation Order, their post-Effective Date agreements and this Court's Opinion and Order[3] (collectively, the "Claims Resolution Order") rejecting the Reorganized Debtors' arguments regarding impairment of the OpCo Funded Debt Claims. The Reorganized Debtors are attempting to employ the same strategy that this Court

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[1] Capitalized terms used bit not otherwise defined herein have the meaning ascribed to them in the Order Confirming Debtors' Second Amended Joint Chapter 11 Plan of Reorganization [ECF 1324] (the "Confirmation Order").

[2] On September 29, 2017, Reorganized Debtors filed the Emergency Motion to Approve Sufficiency of Security for Stay Pending Appeal of the Court's Opinion and Order on Disputed Class 4 Claims [ECF 1577] (the "Motion"). On September 29, 2017, Reorganized Debtors filed an Amended Emergency Motion to Permit Partial Release of the Reserve to Pay Under Protest Disputed Class 4 RCF Claims and Approve Sufficiency of Security for Stay Pending Appeal of the Court's Opinion and Order on Disputed Class 4 Claims with Regard to Disputed Class 4 MNPA Claims [ECF 1580] (the "Amended Motion" or "Am. Motion"). The Senior Creditor Committee opposes the Motion and Amended Motion.

[3] The "Opinion" refers to the Court's Memorandum Opinion [ECF 1569] and "Order" to the Court's Order [ECF 1570], both issued on September 21, 2017. The Reorganized Debtors indicate that they intend to appeal both. *See* Am. Motion at 2.

expressly rejected—to strip the holders of the OpCo Funded Debt Claims of their contractual rights by applying the federal judgment rate to their Claims. The Reorganized Debtors' efforts must fail.

3. ***Opposition to Reorganized Debtors' request regarding interest rate and amount of Reserve Account***. The Reorganized Debtors concede that virtually all of the Reserve Account – $397 million[4] – is owed to the Disputed Class 4 Claim holders today under the Claims Resolution Order.[5] The Amended Motion seeks authority to add *only $3 million* to the Reserve Account to protect the Disputed Class 4 Claim holders during the pendency of all appeals that the Reorganized Debtors choose to bring. Their position is indefensible. The two elements of the calculation proposed by the Reorganized Debtors – the rate of interest to apply and the duration of appeals – are just wrong.

4. With respect to the interest rate, the Court should conclude, consistent with the Claims Resolution Order, that the federal judgment rate does not apply. The discharge of the OpCo Funded Debt Claims is governed by the Plan, which provides that Class 4 Claims shall be unimpaired under 11 U.S.C. § 1124(1). The Reorganized Debtors cannot alter the legal and contractual rights of the holders of the OpCo Funded Debt Claims in any way and maintain that such Claims are unimpaired. The Court has already decided this issue.

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[4] The Senior Creditor Committee disputes the amount that Reorganized Debtors assert the Claims Resolution Order directs them to pay. *See* Declaration of Bassam Latif, attached hereto as Exhibit A, ¶ 10. In addition, Reorganized Debtors' amount does not take into consideration the more than $1 million in fees and expenses already owed to the Senior Creditor Committee, which the Debtors agreed to pay pursuant to paragraph 167 of the Confirmation Order.

[5] The Claims Resolution Order expressly address the OpCo Notes Claims, but the Senior Creditor Committee understands it to apply equally to the OpCo RCF Claims. The Reorganized Debtors must take a similar view in light of their calculation of the amount of the allowed claim, *see* Am. Motion at 2, and their request to pay an amount related to the OpCo RCF Claims, *see generally* Am. Motion.

5. Moreover, the Reorganized Debtors' argument that the federal judgment rate should now apply because the Court has issued the Claims Resolution Order is plainly wrong. In that order, the Court rejected Reorganized Debtors' argument that the OpCo Funded Debt Claims holders would be unimpaired if they were paid less than what their contracts required. The Claims Resolution Order is not a "money judgment" that triggers 28 U.S.C. § 1961. The Reorganized Debtors cite no case that holds a determination by a court of unimpaired treatment is the same as a money judgment, with good reason. If getting a decision – win or lose – from a bankruptcy court on the treatment required to unimpair a creditor was a money judgment that caused the interest rate applicable to that claim to change, it would render such decision entirely meaningless. The Reorganized Debtors' argument that the interest rate should step down because the Court has rendered a decision on what treatment is required to unimpair the claims is pure sophistry.

6. With respect to the timing of appeals, the Reorganized Debtors' proposal to calculate the amount necessary to be deposited into the Reserve Account assuming that two appeals will take only 19 months is grossly unrealistic. The purpose of the Reserve Account is to protect the holders of OpCo Funded Debt Claims during the pendency of the appeals and ensure that those holders do not ever have to take Ultra Petroleum's credit risk again. For that reason, the Court should realistically estimate the time that appeals – including through the Supreme Court – could take. As a consequence, at least 30 months of additional interest is required to be deposited to fully secure the OpCo Funded Debt Claims and the Senior Creditor Committee asserts that the Reserve Account must be increased to an amount no less than $481.4 million for a stay pending appeals.

7. ***Opposition to request for partial release of funds from Reserve Account***. In their Amended Motion, the Reorganized Debtors for the first time requested that the Court permit the release of funds to pay "under protest" the holders of the OpCo RCF Claims after acknowledging that such Claims must continue to accrue interest at the contract default rate.[6] The Confirmation Order, however, expressly prohibits the precise request that the Reorganized Debtors make and dictates, instead, that the Court would determine how much has to be added to the Reserve Account to secure the OpCo creditors rights in an appeal. The parties never agreed that the Reorganized Debtors could pay these amounts while they appealed, thereby subjecting the creditors to a future disgorgement claim of the type the Reorganized Debtors seek to preserve. The Reorganized Debtors apparently have chosen to appeal (albeit without having filed a notice of appeal at this point), in which case they must comply with their agreements reflected in the underlying contracts, the Confirmation Order and subsequent Pledge Agreement, none of which require the OpCo Funded Debt holders to incur this contingent liability. Accordingly, the Reorganized Debtors should increase the Reserve Account to $481.4 million during a stay pending appeals.[7]

8. Accordingly, the Senior Creditor Committee respectfully requests that the Court deny the Reorganized Debtors' Motion and Amended Motion, direct the Reorganized Debtors to increase the Reserve Account, and direct the Reorganized Debtors to pay promptly the post-Effective Date fees and expenses of the Senior Creditor Committee.

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[6] The Reorganized Debtors' original Motion failed to acknowledge (but the Reorganized Debtors now concede) that even if 28 U.S.C. § 1961 were applicable here (it is not), the terms of the OpCo RCF would nevertheless require the contractual default rate to continue to accrue until payment. *See* Am. Motion ¶ 14.

[7] In addition, notwithstanding the Reorganized Debtors' agreement, and the Court's conclusions in the Claims Resolution Order that the Reorganized Debtors are obligated to pay the fees and expenses of the Senior Creditor Committee, the Reorganized Debtors have not paid any amounts invoiced after the Effective Date, totaling more than $1 million in outstanding legal fees. The Senior Creditor Committee respectfully requests that the Court require the Reorganized Debtors to immediately pay the legal fees accrued to date and to continue to comply with the obligations of the Confirmation Order going forward.

BACKGROUND

A. The Confirmation Order

9. Although the Debtors were aware of the OpCo Funded Debt Claims from the outset of their chapter 11 cases, the Debtors nonetheless deferred objecting to these claims, which the Plan classifies as Class 4 Claims and treats as unimpaired, until 11 days before the confirmation hearing. The Debtors then proceeded to emerge from bankruptcy protection before the allowance of the Disputed Class 4 Claims could be determined.

10. Through their Claim Objection,[8] the Reorganized Debtors requested that the Court "disallow[ ] each OpCo Funded Debt Claim to the extent it seeks allowance of the Make-Whole Amount (as defined in the [OpCo Notes] MNPA or interest thereon" and "disallow[ ] each OpCo Funded Debt Claim . . . to the extent that it seeks postpetition interest at a rate greater than the federal judgment rate . . . and to the extent it seeks allowance of interest on any such postpetition interest." Claim Objection ¶ 2. The definition of "OpCo Funded Debt Claim" includes both "the OpCo Note Claims and the OpCo RCF Claims." Plan § 1.1.139. Notably, although framed as a "claim objection," because the Debtors did not impair the OpCo Funded Debt Claims, the Claim Objection was just a request for a determination of what treatment is required to unimpair these claims.

11. When the OpCo Groups objected to the confirmation of the Plan on the grounds that it failed to provide for full payment of the OpCo Funded Debt Claims, the Debtors opted to resolve the OpCo Groups' Plan objections by, among other things, establishing the Reserve Account (with an initial $400 million deposit) to serve as security for the Debtors'

[8] The term "Claim Objection" refers to Debtors' Objection to Asserted Make-Whole Entitlement, Default Rate Postpetition Interest, and Other Related Fees and Expenses Asserted Under the OpCo Funded Debt Claims [ECF 1214].

commitment to satisfy the Disputed Class 4 Claims after a determination from the Court. Confirmation Order ¶¶ 153, 155. The Confirmation Order expressly provides that "[t]he Bankruptcy Court will fashion the appropriate appellate reserve, escrow or bond" and that "the Reorganized Debtors shall not be permitted to contest the need for or appropriateness of a reserve, escrow or bond, ***including without limitation on account of interest accruing on any Allowed portion of the Disputed Class 4 Claims***, during the pendency of their appeal, ***nor shall they be permitted to argue that the continued availability of loans under the exit facility or other cash available to the Reorganized Debtors shall be an appropriate substitute for, or shall reduce the amount of such reserve, escrow or bond***." *Id.* ¶ 165 (emphasis added).

12. The Confirmation Order further provides that "[n]either the Debtors nor the Reorganized Debtors will seek the release of any portion of the Reserve Funds prior to the Bankruptcy Court's entry of an Order regarding the Allowance of the Disputed Class 4 Claims without the consent of the OpCo Group and the OpCo Noteholder Group. Provided, if a partial release is ordered by the Court or agreed by the parties, the Court will order sufficient reserves to be retained to treat the Allstate claims." *Id.*

13. In addition, the Debtors also agreed and the Court ordered that "all fees and expenses of the [OpCo Groups] incurred after the Effective Date will be paid by the Reorganized Debtors pursuant to the terms of the OpCo funded debt agreements." *Id.* ¶ 167.

B. The Post-Bankruptcy Pledge Agreement

14. The Effective Date of the Plan occurred on April 12, 2017. *See* Notice of (I) Entry of Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates [ECF 1423]. One day later, on April 13, 2017, Reorganized OpCo entered into a pledge agreement (the "Pledge Agreement"). Under the Pledge Agreement, Reorganized OpCo has

"pledged and granted" to the Agent, for the benefit of the Agent and the holders of Disputed Class 4 Claims, "a security interest in all of [OpCo's] right, title and interest in, to and under[,]" among other assets, the Reserve Account and "all amounts and contents from time to time on deposit or held in the Reserve Account." Pledge Agreement § 4, attached as Exhibit 1 to the Declaration of James W. Burke ("Burke Decl."), which is attached hereto as Exhibit B. To perfect this security interest, Reorganized OpCo also entered into a Deposit Account Control Agreement ("DACA"), dated April 13, 2017, with the Agent and Bank of America, N.A., the depository bank where the Reserve Account was established. *See generally* DACA, Burke Decl. Ex. 2.

15. Consistent with the terms of the Confirmation Order, Reorganized OpCo agreed in the Pledge Agreement that the Agent is required to distribute the Reserve Funds to the holders of Class 4 Claims upon the occurrence of a "Triggering Event," the definition of which includes "the entry of an Allowance Order." Pledge Agreement § 1.02, Burke Decl. Ex. 1. Section 6.05 of the Pledge Agreement thus provides that "[u]pon the occurrence of a Triggering Event . . ., the Administrative Agent, upon direction of the Bankruptcy Court and in accordance with the Allowance Order (if applicable), ***shall*** exercise such rights and remedies granted to it [under the Pledge Agreement] . . . and all of its rights under any other applicable law or in equity, without presentment, demand, protest or any other notice of any kind." *Id.* § 6.05(a) (emphasis added).

16. The rights and remedies the Agent is required to exercise upon entry of an Allowance Order include "to the fullest extent permitted by law," "application of the Reserve Account and any money or other property therein to payment of the Secured Obligations," which term is defined as "all amounts payable to the Holders in accordance with the Allowance Order."

Id. §§ 1.02, 6.05(b). The Pledge Agreement does not contemplate a partial distribution of funds from the Reserve Account nor the ability for the Agent to make a partial distribution. Similarly, the DACA contemplates only a one-time release of all funds to the Agent. DACA § 2, Burke Decl. Ex. 2 (" . . . Bank shall wire transfer all immediately available Funds in the Account . . . .").

C. The Claims Resolution Order

17. On September 21, 2017, this Court issued the Claims Resolution Order finding, among other things, that because the Debtors chose to unimpair the Class 4 Claims under the Plan and thus must pay the holders of such claims the full amount to which they are entitled under the relevant contracts. Specifically, the Court held that the Reorganized Debtors were bound by the terms of the Plan to unimpair the Claims and to pay the full Make-Whole Amount and interest at the contractual default interest rate on the unpaid portion of the Claims, *see* Opinion at 19; and that paying the holders of the OpCo Funded Debt Claims anything less would render them impaired, *see id.* at 21-22.

D. The Reorganized Debtors' Motion and Amended Motion

18. On September 28, 2017, the Reorganized Debtors filed their Motion requesting that the Court determine that increasing the Reserve Account to a total of $405 million would be sufficient to protect the holders of the OpCo Funded Debt Claims during the pendency of the Reorganized Debtors' appeals. The Reorganized Debtors' Motion makes plain that they contemplate appeal to the U.S. District Court for the Southern District of Texas as well as to the U.S. Court of Appeals for the Fifth Circuit. *See e.g.*, Am. Motion at 2-3. The Reorganized Debtors assert, notwithstanding this Court's prior rejection of the indistinguishable

argument, that they should only be required to set aside the claim amount, plus interest accruing at the federal judgment rate, which they anticipate to accrue for 19 months pending the appeals.

19. On September 29, 2017, the Reorganized Debtors filed their Amended Motion. The Amended Motion concedes the obligation by the Reorganized Debtors to pay interest to the OpCo RCF holders at the full contractual default rate until paid, and accordingly, requests permission to make partial payment – an action never intended by the parties – from the Reserve Account to pay the allowed claims related to the OpCo RCF. *See e.g.,* Am. Motion ¶¶ 12-16.

ARGUMENT

I. THE REORGANIZED DEBTORS CANNOT IMPAIR THE OPCO FUNDED DEBT CLAIMS

20. The Reorganized Debtors' Amended Motion is yet one more attempt to impair the OpCo Funded Debt Claims, notwithstanding the Debtors' explicit choice to treat the claims as unimpaired under the Plan and deny the holders of the OpCo Funded Debt Claims the right to vote on the Plan. The Plan provides that the OpCo Funded Debt Claims are unimpaired under 11 U.S.C. § 1124(1).[9] Unimpairment requires the Reorganized Debtors to provide the holders of the OpCo Funded Debt Claims with all the legal, equitable, and contractual rights attendant to those Claims. For as long as the amounts remain unpaid, under the governing documents the holders of the OpCo Funded Debt Claims are entitled to accrue interest on such unpaid portion of their Claims at the contractual default rate. *See* OpCo MNPA § 12.1, OpCo RCF § 2.13(d). Receipt of anything less than the contractual rate would be impairment. *See* Opinion at 18-19, 21-22.

[9] The Reorganized Debtors do not dispute this. *See* Reorganized Debtors' Supplemental Brief in Response to the Court's August 14, 2017 Order [ECF 1566] ¶ 40.

21. The Reorganized Debtors' attempt to use 28 U.S.C. § 1961 to evade fulfillment of the OpCo Funded Debt Claims holders' contractual rights is just that; it is no different than their prior attempts to do so under 11 U.S.C. §§ 502 and 726(a)(5). But as the Court articulated, the discharge of the OpCo Funded Debt Claims is governed by the terms of the Plan. *Id.* at 18. The Plan provides that the Class 4 Claims shall be unimpaired and to render the claims unimpaired, the Reorganized Debtors must pay to the claim holders all they would be entitled to under their contract. This Court determined that the full amount under the relevant contracts includes interest at the contractual default rate until the claims are paid. *See id.* at 19-22. "Paying post-petition interest on the Make-Whole Amount at the federal judgment rate instead of the rate within the Note Agreement would cause the Noteholders to be impaired." *Id.* at 21-22. This Court has been unambiguous on this point. The Reorganized Debtors must pay the holders of the OpCo Funded Debt Claims "whatever amount necessary to make them unimpaired." *Id.* at 18. The Court's recent analysis remains valid and the Reorganized Debtors should not be permitted to take yet another bite at the apple.

22. As this Court noted, the plain language of section 1124(1) makes it abundantly clear that any alteration of a claimholder's prepetition rights constitutes impairment. *See id.* 18-19. Indeed, courts recognize that Congress intended the term impairment to have the "broadest possible meaning." *See, e.g.*, *In re Vill. at Camp Bowie I, L.P.*, 454 B.R. 702, 708 (Bankr. N.D. Tex. 2011) (finding impairment in delaying (unnecessarily) payment by three months and stating that requiring any particular degree of impairment would "frustrate Congress's evident intent to give 'impairment' the broadest possible meaning") (citations omitted); *In re M & S Assocs., Ltd.*, 138 B.R. 845, 853 (Bankr. W.D. Tex. 1992) ("Congress defined impairment in the broadest possible terms"). Moreover, courts have held that there is a

presumption of impairment, to which section 1124 creates only three "narrow exceptions" (*In re Am. Solar King Corp.*, 90 B.R. 808, 819 (Bankr. W.D. Tex. 1988)), one of which is the complete preservation, without the slightest deviation, of the claimholder's prepetition "legal, equitable and contractual rights" pursuant to section 1124(1). *See Madison Hotel Assocs.*, 749 F.2d 410, 418 (7th Cir. 1984); *M & S Assocs.*, 138 B.R. at 853.

23. Similarly, in solvent debtor cases, "courts have generally confined themselves to determining and enforcing whatever pre-petition rights a given creditor has against the debtor." *Official Comm. of Unsecured Creditors v. Dow Corning Corp. (In re Dow Corning Corp.)*, 456 F.3d 668, 679 (6th Cir. 2006) ("*Dow III*"). Thus, "[w]here the debtor is solvent, the bankruptcy rule is that where there is a contractual provision, valid under state law, providing for interest on unpaid installments of interest, the bankruptcy court will enforce the contractual provision with respect to both instalments due before and . . . after the petition was filed." *Debentureholders Protective Comm. Of Cont'l Inv. Corp. v. Cont'l Inv. Corp.*, 679 F.2d 264, 269 (1st Cir. 1982). Permitting the Reorganized Debtors to undermine such judgment pursuant to 28 U.S.C. § 1961 would strip away the contractual rights to which the Senior Creditor Committee is entitled, thus rendering their claims impaired.[10]

24. Indeed, the bankruptcy court in *In re Dow Corning Corp.*, had occasion to interpret whether 28 U.S.C. § 1961 should apply to claim allowance, as the Reorganized Debtors argue. *In re Dow Corning Corp.*, 237 B.R 380 (Bankr. E.D. Mich. 1999) ("*Dow I*") (applying 28

[10] Notably, the Reorganized Debtors concede this point. Had the Debtors not filed for bankruptcy, but refused to pay the Make-Whole Amount and post-judgment interest at the default rate, the holders of OpCo Funded Debt Claims would have had only one option: to sue Ultra for breach and attempt to obtain a judgment they could collect under state law in a New York state court. *See* Am. Motion ¶ 27. However, contrary to the Reorganized Debtors' conclusion, if the Noteholders prevailed on summary judgment based on logic similar to that in the Court's Claims Resolution Order, and Ultra appealed (or forced the claim holders to use ordinary state-law collection remedies), any interest that accrued after the decision that Ultra owed the money would accrue at the state statutory rate, which is 9%, and not the federal judgment rate. N.Y. C.P.L.R. § 5004 (2012). Indeed, at no time would the OpCo Funded Debt Claim holders be subject to the federal judgment rate.

U.S.C. § 1961 for purposes of interpreting what rate of interest is required under section 726(a)(5) of the Bankruptcy Code in order to comply with the "best-interest-of-creditors-test" of section 1129(a)(7)). Though the bankruptcy court in *Dow I* came to the conclusion that claim allowance may be a "money judgment" for purposes of 28 U.S.C. § 1961, the bankruptcy court recognized the inherent conflict between sections 502(b) and 726(a)(5) of the Bankruptcy Code and 28 U.S.C. § 1961. To reconcile this incongruity the bankruptcy court in *Dow I* found that sections 502(b) and 726(a)(5) of the Bankruptcy Code are properly viewed as statutory modifications to 28 U.S.C. § 1961 as to the time from which interest accrues or begins to run for purposes of the Bankruptcy Code, finding that "[s]everal courts have stated that a creditor's claim is deemed to be a 'judgment' entered on the date of the petition," and not at the time of allowance of the claim. *Dow I*, 237 B.R. at 393. The bankruptcy court in *Dow I* notes that "[i]f equitable distribution and equality of treatment is to be achieved, interest must begin to run on the same date for all creditors." *Id.* at 394.

25. In fact, the issues before the *Dow I* court were similar to the issue decided by this Court in the Claims Resolution Order. The *Dow I* Court effectively used 28 U.S.C. § 1961 as its proxy for determining that the legal rate applied under section 726(a)(5) of the Bankruptcy Code is the federal judgment rate.[11] However, in *In re Dow Corning Corp.*, 244 B.R. 678 (Bankr. E.D. Mich. 1999) ("*Dow II*"), the same bankruptcy court explained that the application of the federal post-judgment rate (in accordance with 28 U.S.C. § 1961) to allowed claims in chapter 11 cases only establishes the "bare minimum payment requirement" that a creditor must receive under section 1129(a)(7) in order to satisfy the best interests test. *Dow II*,

[11] This Court has determined already that 11 U.S.C. § 726 does not apply to the Disputed Class 4 Claims because such claims are unimpaired. Opinion at 22.

244 B.R. at 686. In fact, the court noted that "the proposition that the federal judgment rate applies in all Code chapters cannot be reconciled with the central role of contract rights in a pending reorganization. To understand that role, one need only consider the concept and potential consequences of 'impairment.' . . . Since impairment is not mandatory, those [contract] rights may survive plan confirmation intact." *Id.* at 685-86. In *Dow II*, the bankruptcy court found that the debtors were required to pay the contractual rate of interest to satisfy the "fair and equitable test" of section 1129(b). In so holding, the court in *Dow II* found that "while claim allowance may be tantamount to entry of a 'judgment,' . . . , a chapter 11 creditor's contract rights are not merged into that judgment. . . . A plan proponent must therefore reckon with those contract rights." *Dow II*, at 687.

26. The Sixth Circuit ultimately agreed and held that creditors in solvent debtor cases are entitled to postpetition interest at the contractual default rate. *Dow III*, 456 F.3d at 679.[12] This Court has already ruled consistent with *Dow III* that postpetition interest accrues with respect to the OpCo Funded Debt Claims at the contractual default rate. If 28 U.S.C. § 1961 were to apply (it does not), it would apply to interest that began to accrue from the petition date. Like sections 502(b) and 726(a)(5), section 1124(1) of the Bankruptcy Code is a modification of 28 U.S.C. § 1961, requiring payment of interest at the contractual default rate in

[12] Following the bankruptcy court's decision in *Dow I*, the "Commercial Creditors" (as that term is defined in D*ow I*) objected to the debtors' plan of reorganization as failing to satisfy the "fair-and-equitable" requirement because the estate was solvent and interest had to be paid at the applicable rate under the terms of their respective contracts. On appeal, the district court affirmed the bankruptcy court's decision in *Dow II*, finding that the proper rate was "the base contract rate . . . applicable on the day the Petition for bankruptcy was filed by the Debtor." *In re Dow Corning Corp.*, Case No. 01-CV-71843-DT (DPH), 2004 U.S. Distr. LEXIS 27989, at *25-26 (E.D. Mich. Mar. 31, 2004). On appeal to the U.S. Court of Appeals for the Sixth Circuit, the Sixth Circuit agreed with the unsecured creditors that such creditors were entitled to "their rights under the contract, including their right to interest awarded at the default rate as set forth in the terms of their contract[, and concluded] that there is a presumption that default interest should be paid to unsecured claim holders in a solvent debtor case. *Dow III*, 465 F.3d at 679 (6th Cir. 2006). The record, however, was insufficiently developed and the court remanded to the district court.

order to render the OpCo Funded Debt Claims unimpaired. The federal judgment rate simply does not apply.

II. 28 U.S.C. § 1961 DOES NOT APPLY BECAUSE THE CLAIMS RESOLUTION ORDER IS NOT A MONEY JUDGMENT

27. The Claims Resolution Order determined that in accordance with the Plan, the Reorganized Debtors must pay the Make-Whole Amount and the contractual default rate of interest to render the OpCo Funded Debt Claims unimpaired. Such a determination is not a money judgment and therefore 28 U.S.C. § 1961 has no application here.

28. ***First***, even if the Claims Resolution Order could be viewed as a determination with respect to the allowance of the OpCo Funded Debt Claims, it is clear that the Claims Resolution Order would still ***not qualify as a judgment***. The Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") are clear that claim allowance is not a judgment. To begin, Bankruptcy Rule 7001 provides that "a proceeding to recover money" – *i.e.*, one to obtain a money judgment – must be adjudicated as an adversary proceeding. In contrast, the Claims Resolution Order determined a contested matter, as the Reorganized Debtors concede. *See* Am. Motion ¶ 17 ("A claim objection is considered a 'contested matter' under the Bankruptcy Rules.") (citing *In re Simmons*, 765 F.2d 547, 552 (5th Cir. 1985)).[13]

29. The Bankruptcy Rules specifically render inapplicable to contested matters the rule providing for entry of "judgments": Bankruptcy Rule 7058. FED. R. BANKR. P. 9014(c) (omitting Bankruptcy Rule 7058 from the list of rules applicable in contested matters).[14] Likewise inapplicable is the rule authorizing execution on "judgments": Bankruptcy Rule 7069.

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[13] *See also* FED. R. BANKR. P. 9013, Advisory Committee Notes (1983) ("The contested matter initiated by an objection to a claim is governed by rule 9014 . . . ."); FED. R. BANKR. P. 9014, Advisory Committee Notes (1983) ("[T]he filing of an objection to a proof of claim . . . creates a dispute which is a contested matter.").

[14] Bankruptcy Rule 9014 gives a court discretion to order that other Bankruptcy Rules are applicable to a contested matter, but that did not happen here.

Id. (same as to Bankruptcy Rule 7069).[15] The omission of these rules confirms that a bankruptcy court's determination as to claim allowance – even if that is what happened here – is not a "judgment." The determination simply informs the debtor and the creditor as to the validity and amount of the claim.

30. ***Second***, the Claims Resolution Order does not qualify as a claim "Allowance" under the Plan and the Reorganized Debtors agree. In a letter to the Agent, the Reorganized Debtors argued that the "No Disputed Class 4 Claims have been "Allowed" as the term is defined in the Plan and Confirmation Order," because the Plan defines an "Allowed" claim as one that has been allowed by a "Final Order," which the Claims Resolution Order undisputedly is not. Letter from D. Seligman, Kirkland & Ellis LLP, to Agent, dated Sept. 26, 2017, Burke Decl. Ex. 3 at 2. The Debtors also originally took the position in a letter to Cortland Capital Market Services LLC, as administrative agent for the holders of the OpCo Funded Debt Claims (the "Agent"), that "[t]he distribution of the Reserve Funds at this time would violate both the Confirmation Order and the Pledge Agreement" and that "absent the consent of the Reorganized Debtors, the OpCo Group and the OpCo Noteholder Group, the Pledge Agreement only provides for the Agent to release the Reserve Funds "upon the direction of the Bankruptcy Court and in accordance with the Allowance Order." *Id.* The Reorganized Debtors further argued that the Claims Resolution Order "did not actually 'allow' any Disputed Class 4 Claims, but rather only denied the Debtors' objection." *Id.* Although they do not expressly say so, the Reorganized Debtors presumably were relying on section 502(b) of the Bankruptcy Code, which requires the Court to "determine the amount of [a] claim in lawful currency" and "allow such

[15] If an order on a claim objection were a "money judgment," as the Reorganized Debtors contend, then the claim holder should have the right to, among other things, record that judgment under applicable law and obtain a lien. *See* 5 TEX. PROP. CODE § 52.001. That is completely contrary to chapter 11 practice, pursuant to which holders' rights to collect on allowed claims are determined by the debtors' reorganization plan.

claim in such amount." Thus, according to the Reorganized Debtors' own arguments, the Claims Resolution Order is a ruling on the legal issues presented but not a money judgment. *See Commonwealth Oil Ref. Co., Inc. v. United States Env'tl. Prot. Agency (In re Commonwealth Oil Ref. Co., Inc.)*, 805 F.2d 1175, 1186 (5th Cir. 1986) (money judgment requires a definite and certain designation of the amount which plaintiff is owed). By arguing that no claim allowance order has been entered but that the Claims Resolution Order nonetheless qualifies as a "money judgment," the Reorganized Debtors are talking out of both sides of their mouth.

31. Not surprisingly, and despite the Reorganized Debtors' argument, none of the cases cited by the Reorganized Debtors actually involve the application of 28 U.S.C. § 1961 to the allowance of a claim. Indeed, the vast majority of the cases cited by the Reorganized Debtors concern judgments awarding money damages in connection with breach of contract disputes or tort claims. *See, e.g., Celtic Marine Corp. v. James C. Justice Cos.*, 593 F. App'x 300 (5th Cir. 2014) (judgment awarding money damages in breach of contract dispute); *Hebert v. Exxon Corp.*, 953 F.2d 936, 938 (5th Cir. 1992) (judgment declaring insurer liable for specific sum of money damages under insurance policy); *Tricon Energy Ltd. v. Vinmar Int'l, Ltd.*, 718 F.3d 448 (5th Cir. 2013) (judgment confirming arbitrator's award of money damages in breach of contract dispute); *Ocasek v. Manville Corp. Asbestos Disease Comp. Fund*, 956 F.2d 152 (7th Cir. 1992) (judgment awarding money damages for asbestos-related personal injury claims); *Carte Blanch (Singapore) Pte. v. Carte Blanche Int'l*, 888 F.2d 260 (2d Cir. 1992) (judgment confirming in part arbitrator's award of money damages in breach of contract dispute); *Halliburton Energy Servs., Inc. v. NL Indus.*, Nos. H-05-4160, H-06-3504 (LHR), 2008 WL 2787247 (S.D. Tex. July 16, 2008) (judgment staying portion of arbitrator's award of money damages for environmental remediation costs); *In re Trigeant Holdings, Ltd.*, 523 B.R. 273

(Bankr. S.D. Fla. 2015) (judgment confirming arbitrator's award of money damages in breach of contract dispute); *Crosthwaite v. Tim Kruse Constr., Inc*., No. C 13-00496 (JSW), 2014 WL 4683719 (N.D. Cal. Sept. 17, 2014) (judgment awarding money damages in connection with breach of contract dispute); *Enhanced La. Capital II, LLC v. Brent Homes*, No 12-2409 (JTM), 2013 WL 2459435 (E.D. La. June 6, 2013) (same). The Reorganized Debtors also conspicuously omit any citation to *Dow I*, which, as discussed above, only further reveals how their argument that the federal judgment rate should apply on appeal conflicts with this Court's Claims Resolution Order.

32. The lack of support in the Amended Motion for applying 28 U.S.C. § 1961 and the federal post-judgment interest rate in this context is understandable given the resulting hypocrisy. The Reorganized Debtors' argument is that in all circumstances in which a court has determined that to unimpair a creditor, a debtor would have to pay interest at the contractual default rate, the issuance of its decision, automatically switches the rate to the federal post-judgment rate. If such a scenario were enforceable every potentially solvent debtor would have a fiduciary obligation to seek an immediate determination of required treatment, or at least to object to nearly every claim at the earliest possible opportunity, thus triggering the federal post-judgment rate. Such a scenario would incentivize debtors to litigate all claims with the potential upside of significant savings resulting from a prompt judgment. Clearly this is not a logical or realistic outcome.

III. THE REORGANIZED DEBTORS SHOULD NOT BE PERMITTED TO MAKE PARTIAL PAYMENT FROM THE RESERVE ACCOUNT

33. Through their Amended Motion, the Reorganized Debtors now seek to make partial payment of the portion of the claim related to the OpCo RCF such that they can subject holders of OpCo RCF claims to the threat of possible disgorgement. Permitting them to

do so would breach the carefully negotiated terms of the Confirmation Order and impair the holders of OpCo Funded Debt Claims who are repaid. The Confirmation Order explicitly provides that "[n]either the Debtors nor the Reorganized Debtors will seek the release of any portion of the Reserve Funds prior to the Bankruptcy Court's entry of an Order regarding the Allowance of the Disputed Class 4 Claims without the consent of the OpCo Group and the OpCo Noteholder Group." Confirmation Order ¶ 156. In fact, the parties expressly agreed, and this Court ordered, exactly what was to occur in the event of an appeal. Paragraph 165 of the Confirmation Order states that "[t]he Bankruptcy Court will fashion the appropriate appellate reserve, escrow or bond" and that "the Reorganized Debtors shall not be permitted to contest the need for or appropriateness of a reserve, escrow or bond . . . ." It does not, however, contemplate that the Reorganized Debtors may seek a partial release of the funds prior to entry of a Final Order.[16]

34. The Reorganized Debtors cannot be permitted to have it both ways – either they seek to stay the Claims Resolution Order pending appeal and increase the Reserve Account to protect holders of the OpCo Funded Debt Claims or they abandon an appeal and make payment. Any other result would permit the Reorganized Debtors to shift the risks associated with an appeal of the Claims Resolution Order to the creditors who receive the released funds. Subjecting creditors to the threat of disgorgement and simultaneously depriving them of contractual default interest would violate the agreements the parties reached. This end-run attempt around unimpairment is contrary to what the parties negotiated in the underlying contracts and the Confirmation Order and should not be allowed.

[16] Similarly, the DACA, expressly referenced in the Pledge Agreement, provides for a one-time payment from the Reserve Account for distribution to claim holders. *See* DACA § 2, Burke Decl. Ex. 2.

IV. THE REORGANIZED DEBTORS MUST INCREASE THE RESERVE ACCOUNT TO $481.4 MILLION

35. As articulated above, the holders of the OpCo Funded Debt Claims are entitled to accrue interest on their claim at the applicable contractual default rate. Thus, the Reorganized Debtors must increase the amount of funds in the Reserve Account to an amount sufficient to protect the anticipated judgment amount, including contractual interest accruals, through the pendency of the appeals.[17] The Reorganized Debtors' request that the Court allow them to increase the Reserve Account by a lesser amount—$3 million—and leave the OpCo Funded Debt Claim holders exposed to the financial condition of the Reorganized Debtors with respect to the differential is another blatant violation of the Confirmation Order, here the prohibition that the Reorganized Debtors are not even "permitted to argue" that their financial resources "shall be an appropriate substitute for, or shall reduce the amount of such reserve, escrow or bond." Confirmation Order ¶ 165.

36. It is clear that it is the Reorganized Debtors' burden to protect holders of the OpCo Funded Debt Claims during the appeals process. The bargain the parties struck at the time of confirmation of the Plan, and the Court ordered, was that the holders of the OpCo Funded Debt Claims, should not be required to bear the Ultra credit risk ever again (and certainly not any liability, as discussed below). Confirmation Order ¶ 165. And with good reason. Since the Effective Date, the Reorganized Debtors' enterprise value has declined significantly. As of October 2, 2017, the Company's total enterprise value was approximately $3.737 billion, as compared to the $6.0 billion valuation that was the premise of the Plan. *See* Latif Decl. ¶ 15.

[17] The Senior Creditor Committee does not concede – and objects to – the applicability of Bankruptcy Rule 7062. As set forth above, the Claims Resolution Order is not a judgment and Rule 7062 provides discretion where a contested matter has resulted in a judgment, *see* Am. Motion ¶ 18. In the absence of Rule 7062, the applicable rule governing a stay of an allowance order is Bankruptcy Rule 8005.

This has been driven by a decline in equity value. The Reorganized Debtors' share price is currently trading at a 36.5% discount to the share price implied by the Rights Offering conducted in connection with the Plan. *Id.* ¶ 14. The implied recoveries of the HoldCo Noteholders, who exchanged their notes for an aggregate of 36.2% of the Reorganized Debtors' equity, on their allowed claims alone have yet to exceed approximately 65% of such claims since the close of the first day of trading post-emergence, and have fallen since the Effective Date to less than 45% of such claims as of October 2, 2017. *Id.* ¶ 16. Overall implied HoldCo Noteholder recoveries, *pro forma* for the Rights Offering, are even lower – they have yet to exceed 60% of such holders' allowed claims and Rights Offering consideration, and have fallen since the Effective Date to less than 35% as of October 2, 2017. *Id.* ¶ 17. The post-emergence reduction in the HoldCo noteholders' recoveries is precisely the fate that the Reserve Account was designed to protect holders of OpCo Funded Debt Claims against, and it illustrates how anyone exposed to the risk of the Reorganized Debtors' financial condition, which is, in turn, exposed to the commodity risk of fluctuating gas prices, is clearly not unimpaired.

37. Thus, the Reorganized Debtors must increase the Reserve Account or post a supersedeas bond in an amount sufficient to protect the anticipated judgment amount (including contractual default interest) through the pendency of the appeals to the District Court, Fifth Circuit and the Supreme Court. *See e.g., In re Scotia Dev. LLC*, 2008 Bankr. LEXIS 5127, *27-28 & *33-34 (Bankr. S.D. Tex. July 15, 2008) (acknowledging that "[i]n determining an amount of a bond, courts often multiply the estimate of actual damages by 125% or 150% to account for additional unforeseeable risk"); *see also Culwell v. Tex. Equip. Co. (In re Tex. Equip. Co.)*, 283 B.R. 222, 229 (Bankr. N.D. Tex. 2002) (citing *Poplar Grove Planting & Refining Co. v. Bache Halsey Stuart, Inc.*, 600 F.2d 1189, 1191 (5th Cir. 1979) (acknowledging that "[u]nless

the court finds otherwise, the amount of the supersedeas bond should 'include the whole amount of the judgment remaining unsatisfied, costs on the appeal, interest, and damages for delay.'); *see e.g.*, N.D. TEX. L.R. 62.1 ("Unless otherwise ordered by the presiding judge, a supersedeas bond staying execution of a money judgment shall be in the amount of the judgment, plus 20% of that amount to cover interest and any award of damages for delay, plus $250.00 to cover costs.").

38. While the Reorganized Debtors admit this point (Am. Motion ¶ 29), they state that the average time for an appeal to run its course through both the District Court and Fifth Circuit would be approximately nineteen months. The Reorganized Debtors base this estimate on statistics from the U.S. Court of Appeals – Judicial Caseload Profile. The reported numbers cited by the Reorganized Debtors, however, do not accurately reflect the median time from filing a notice of appeal through disposition *if oral argument is held*, which would likely occur in this case given the magnitude of the amounts in dispute. Indeed, in cases before the Fifth Circuit involving oral argument, the ***median*** time from filing of the notice of appeal to disposition jumps to more than a year. *See* Fifth Circuit Court of Appeals, Clerk's Office Update 2016 Appellate Advocacy Seminar, Tom Plunkett, Federal Bar Association, Sept. 25, 2016; *see also e.g.*, *Vantage Drilling Co. v. TMT Procurement Corp.*, Court of Appeals Case No. 13-20622 (appeal docketed Oct. 21, 2013; oral argument heard Mar. 31, 2014; mandate issued Oct. 31, 2014); *see also generally Temecula Valley Bank v. Stanton (In re Stanton)*, 2007 Bankr. LEXIS 885, *6-7 (Bankr. S.D. Tex. Mar. 8, 2007) (J. Isgur) (looking to state law and requiring a bond "for the estimate duration of the appeal" which the Court assumed to be a "two year appellate period

39. Thus, using the Reorganized Debtors' suggested approach of "doubl[ing the time period based on the Fifth Circuit statistics] to account for the potential second layer of

appellate review in bankruptcy cases", the average time for disposition of an appeal from the Claims Resolution Order would be a minimum of 25 months. That estimate would not include any time to seek certiorari form the U.S. Supreme Court which would add—at minimum—an additional 5 months, for a total of approximately 30 months.[18] And of course if the Supreme Court were to grant certiorari, the estimated 30 month timeframe would have to be substantially increased to account for additional briefing, argument and a decision.

40. Given the time required to (i) docket, brief, argue and receive a decision from the District Court on the appeal; (ii) brief, argue and receive a decision from the U.S. Court of Appeals for the Fifth Circuit on the appeal; (iii) seek certiorari from the U.S. Supreme Court; and (iv) brief, argue and receive a decision from the U.S. Supreme Court, the Senior Creditor Committee respectfully submits that the Reorganized Debtors should be ordered to increase the Reserve Account to a minimum of $481.4 million to address a potential 30 month appellate window. *See* Latif Decl. ¶ 12.[19]

CONCLUSION

Based on the foregoing, the Senior Creditor Committee respectfully requests that the Court (i) deny the Reorganized Debtors' Motion and Amended Motion; (ii) prohibit the Reorganized Debtors from making partial payment from the Reserve Account; (iii) require the

[18] The Rules of the Supreme Court of the United States require litigants to file a petition for a writ of certiorari within three months of the entry of the judgment. *See* Sup. Ct. R. 13 ("Unless otherwise provided by law, a petition for a writ of certiorari to review a judgment in any case, civil or criminal, entered by a state court of last resort or a United States court of appeals (including the United States Court of Appeals for the Armed Forces) is timely when it is filed with the Clerk of this Court within 90 days after entry of the judgment. . . .").

[19] Indeed, the Reorganized Debtors have thus far shown their propensity to try to avoid paying portions of the OpCo Funded Debt Claims that they have already agreed to pay. Paragraph 167 of the Confirmation Order clearly provides that "all fees and expenses of the OpCo Group and the OpCo Noteholder Group incurred after the Effective Date will be paid by the Reorganized Debtors pursuant to the terms OpCo Funded Debt Agreements." Notwithstanding the Court's prior order, the Reorganized Debtors have failed to pay more than $1 million in outstanding fees and expenses of the Senior Creditor Committee despite having had such invoices for months, with multiple reminders. See Burke Decl. ¶ 1. The Senior Creditor Committee respectfully requests that this Court enforce its prior order and require the Reorganized Debtors to pay the legal fees forthwith.

Reorganized Debtors to increase the Reserve Account pending appeal to at least $481.4 million; (iv) require the Reorganized Debtors to pay promptly post-Effective Date fees and expenses of the Senior Creditor Committee; and (v) grant any additional just and equitable relief.

Dated: October 3, 2017
Houston, Texas

NORTON ROSE FULBRIGHT US LLP

By: /s/ *Jason L. Boland*
William R. Greendyke (TX Bar No. 08390450)
Jason L. Boland (TX Bar No. 24040542)
Bob B. Bruner (TX Bar No. 24062637)
Fulbright Tower
1301 McKinney, Suite 5100
Houston, Texas 77010-3095
Telephone: (713) 651-5151
Facsimile: (713) 651-5246
william.greendyke@nortonrosefulbright.com
jason.boland@nortonrosefulbright.com
bob.bruner@nortonrosefulbright.com

- and -

MILBANK, TWEED, HADLEY & McCLOY LLP

Dennis F. Dunne (*pro hac vice*)
Evan R. Fleck (*pro hac vice*)
Andrew M. Leblanc (*pro hac vice*)
28 Liberty Street
New York, New York 10005
Telephone: (212) 530-5000
Facsimile: (212) 530-5219
ddunne@milbank.com
efleck@milbank.com
aleblanc@milbank.com

Attorneys for the Ad Hoc Committee of Unsecured Creditors of Ultra Resources, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on October 3, 2017, a true and correct copy of the foregoing was served via email on the parties entitled to receive service through the Court's CM/ECF system.

/s/ *Jason L. Boland*
Jason L. Boland

Exhibit A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
ULTRA PETROLEUM CORP., *et al.*,	§	Case No. 16-32202 (MI)
Debtors.	§	(Jointly Administered)

DECLARATION OF BASSAM J. LATIF IN SUPPORT OF THE SENIOR CREDITOR COMMITTEE'S OPPOSITION TO REORGANIZED DEBTORS' AMENDED MOTION TO PERMIT PARTIAL RELEASE OF THE RESERVE ACCOUNT AND TO APPROVE SUFFICIENCY OF SECURITY FOR STAY PENDING APPEAL

I, Bassam J. Latif, being duly sworn, hereby depose and say as follows:

1. I am over the age of 18 and competent to testify.

2. I am a Managing Director of Moelis & Company LLC ("Moelis"), which is a part of Moelis & Company, a leading international investment banking and financial advisory firm (NYSE: MC) with 700 employees in 19 offices around the world. Moelis provides a broad range of financial advisory services to its clients, including (a) general corporate finance, (b) mergers and acquisitions, (c) corporate restructurings and (d) capital raising. I am resident in Moelis's Houston office, located at Three Allen Center, 333 Clay Street, Suite 3750, Houston, Texas 77002, where we have a team of over 30 advisory and technical professionals focused primarily on the oil & gas industry. I have over 16 years of experience in investment banking advisory, over 13 of which have been spent providing restructuring advice to companies, creditors, sponsors, and other interested parties on restructuring transactions, both in chapter 11 cases and out-of-court. I received a Bachelor of Arts degree in Economics and Bachelor of Science degree in Mechanical Engineering from Rice University in Houston, Texas, and received a Master of Business Administration degree from Columbia University in New York, New York.

3. Moelis was retained by Milbank, Tweed, Hadley & McCloy LLP, in its capacity as legal counsel to an *ad hoc* committee of certain unsecured creditors of Ultra Resources, Inc. (the "Senior Creditor Committee") to serve as investment banker and financial advisor. Through this engagement, I am personally familiar with the terms of (i) the several series of unsecured senior notes issued by Ultra Resources, Inc. (the "OpCo Notes") and that certain Master Note Purchase Agreement dated as of March 6, 2008 (the "OpCo Notes MNPA") pursuant to which the notes were issued; and (ii) that certain Credit Agreement dated as of October 6, 2011 (the "OpCo RCF") among Ultra Resources, Inc. ("OpCo"), as borrower, the lenders party thereto from time to time, and Wilmington Savings Fund Society, FSB (as successor to JPMorgan Chase Bank, N.A.), as administrative agent.

4. I submit this declaration in support of the Senior Creditor Committee's Opposition to Reorganized Debtors' Amended Motion to Permit Partial Release of the Reserve Account and to Approve Sufficiency of Security for Stay Pending Appeal.

A. OpCo Note Terms

5. Before April 29, 2016 (the "Petition Date"), OpCo issued $1.46 billion in principal amount of OpCo Notes pursuant to the OpCo Notes MNPA in the following ten series that bear the following respective non-default interest rates:

Series	Principal Amount	Maturity
7.31% Series 2009-A Senior Notes	$62,000,000	March 1, 2016
4.98% Senior Notes Series 2010-A	$116,000,000	January 27, 2017
5.92% Senior Notes, Series 2008-B	$200,000,000	March 1, 2018
7.77% Series 2009-B Senior Notes	$173,000,000	March 1, 2019
5.50% Senior Notes Series 2010-B	$207,000,000	January 28, 2020
4.51% 2010 Series E Senior Notes	$315,000,000	October 12, 2020
5.60% Senior Notes Series 2010-C	$87,000,000	January 28, 2022

Series	Principal Amount	Maturity
4.66% 2010 Series F Senior Notes	$35,000,000	October 12, 2022
5.85% Senior Notes, Series 2010-D	$90,000,000	January 28, 2025
4.91% 2010 Series G Senior Notes	$175,000,000	October 13, 2025
Total	$1,460,000,000	N/A

6. For each series of OpCo Notes, interest accrues on overdue amounts at a default interest rate equal to the non-default interest rate for that series plus 2% per annum. Interest on the OpCo Notes is payable (and, if unpaid, compounds) semiannually on March 1 and September 1 of each year.

B. OpCo RCF Terms

7. As of the Petition Date, OpCo owed approximately $999,000,000 under the OpCo RCF. Where an event of default occurs on the OpCo RCF and is continuing, all borrowings under the OpCo RCF are converted to "ABR" borrowings.

8. Overdue amounts on ABR borrowings under the OpCo RCF accrue interest at a rate per annum equal to 2% plus the "Alternate Base Rate" plus the "Applicable Rate." For purposes of calculating interest accruals on the OpCo RCF, I have used the "Prime Rate" in effect on a given day as the "Alternate Base Rate" and 1.5% as the Applicable Rate. Because interest on the OpCo RCF is payable on demand, for purposes of calculating amounts owed under the OpCo RCF, I have treated interest as compounding daily.

C. Unpaid Claim Amount

9. On or about April 12, 2017, the Debtors paid approximately $2,535,443,680 in satisfaction of, among other things, the unpaid principal amounts and portions of the accrued interest owed on the OpCo Notes and the OpCo RCF (together, the "OpCo Funded Indebtedness").

10. As of October 6, 2017, an aggregate amount of approximately $398,428,061 will remain outstanding on the OpCo Funded Indebtedness, comprised of $331,079,908 on the OpCo Notes and $67,348,153 on the OpCo RCF:

Obligation	Interest (Not on Make-Whole Amount)	Make-Whole Amount	Interest on Make-Whole Amount
7.31% Series 2009-A Senior Notes	$5,834,797	$0	$0
4.98% Senior Notes Series 2010-A	$7,724,438	$3,409,587	$353,889
5.92% Senior Notes, Series 2008-B	$15,475,285	$16,702,205	$1,976,226
7.77% Series 2009-B Senior Notes	$17,195,504	$30,095,435	$4,433,203
5.50% Senior Notes Series 2010-B	$15,012,444	$28,852,201	$3,226,057
4.51% 2010 Series E Senior Notes	$19,308,423	$36,812,055	$3,555,217
5.60% Senior Notes Series 2010-C	$6,409,672	$16,980,988	$1,924,970
4.66% 2010 Series F Senior Notes	$2,204,257	$5,382,312	$532,184
5.85% Senior Notes, Series 2010-D	$6,890,755	$25,026,097	$2,933,928
4.91% 2010 Series G Senior Notes	$11,514,547	$37,464,990	$3,848,242
OpCo RCF	$67,348,153	N/A	N/A
Total	$174,918,276	$200,725,869	$22,783,916

11. I project that 19 months from now the full amount of the OpCo Funded Indebtedness including interest calculated at the contractual default rate would be $449,121,402.

12. I project that 30 months from now the full amount of the OpCo Funded Indebtedness including interest calculated at the contractual default rate would be $481,416,594.

13. I project that 36 months from now the full amount of the OpCo Funded Indebtedness including interest calculated at the contractual default rate would be $500,023,490.

D. Company's Post-Effective Date Performance

14. Ultra's share price as of close on October 2, 2017 was $8.79 per share. This share price represents a 36.5% decline versus the price per share implied by the Rights Offering which occurred in connection with Ultra's Plan of Reorganization (implied price of $13.85 per share, at a 20% discount to Plan Total Enterprise Value), and represents a 27.5% decline versus the share price at the close of the first full trading day post emergence of $12.12 per share.

15. As of October 2, 2017, the Company's total enterprise value was approximately $3.737 billion (based on share price as of October 2, 2017, and shares outstanding as of August 2, 2017 and net debt as of June 30, 2017 as reported by the Company in its Form 10-Q for the period ending June 30, 2017 filed on August 9, 2017), representing a 37.7% decline from the $6.0bn Plan Value in its Plan of Reorganization.

16. The below chart shows the recoveries to HoldCo Noteholders on account of their $1.412bn[1] of Allowed HoldCo Note Claims (for which they received 36.2% of the Company's equity value at emergence) at dates since emergence.

[1] Presumed claim amount per Debtors' Revised Second Amended Disclosure Statement.

17. The below chart shows the overall recoveries to HoldCo Noteholders on a post-Rights-Offering basis at dates since emergence.[2]

[2] Recoveries calculated as (share price * shares outstanding * (% of shares received by HoldCo Noteholders on account of their Allowed HoldCo Note Claims + % of shares received by HoldCo Noteholders as participants in Rights Offering + % of shares received by HoldCo Noteholders as commitment parties under the Backstop Commitment Agreement in respect of the commitment premium thereunder + % of shares received by HoldCo Noteholders as commitment parties under the Backstop Commitment Agreement in connection with their backstop obligation thereunder) – amount funded by HoldCo Noteholders in connection with the Rights Offering) / Allowed HoldCo Noteholder Claims.

* * * * *

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated this 3rd day of October, 2017

By:_____
Bassam J. Latif

Exhibit B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
ULTRA PETROLEUM CORP., *et al.*,	§	Case No. 16-32202 (MI)
Debtors.	§	(Jointly Administered)

DECLARATION OF JAMES W. BURKE IN SUPPORT OF THE SENIOR CREDITOR COMMITTEE'S OPPOSITION TO REORGANIZED DEBTORS' AMENDED MOTION TO PERMIT PARTIAL RELEASE OF THE RESERVE ACCOUNT AND TO APPROVE SUFFICIENCY OF SECURITY FOR STAY PENDING APPEAL

I, James W. Burke, being duly sworn, hereby depose and say as follows:

1. I am an associate at the law firm of Milbank, Tweed, Hadley & McCloy LLP, attorneys for the *ad hoc* committee of unsecured creditors of Ultra Resources, Inc. in the above-captioned chapter 11 cases (the "Senior Creditor Committee"). I respectfully submit this declaration in support of *The Senior Creditor Committee's Opposition to Reorganized Debtors' Amended Motion to Permit Partial Release of the Reserve Account and to Approve Sufficiency of Security for Stay Pending Appeal*.

2. The Senior Creditor Committee, through counsel, sent invoices to the Reorganized Debtors dated May 26 and July 27, 2017, which invoices included fees and expenses incurred by the Senior Creditor Committee post-Effective Date totaling $1,027,646.

3. Attached as Exhibit 1 is a true and correct copy of the Pledge Agreement, dated as of April 13, 2017, between Ultra Resources, Inc., and Cortland

Capital Market Services LLC, as administrative agent for the holders of the Disputed Class 4 Claims.

4. Attached as Exhibit 2 is a true and correct copy of the Deposit Account Control Agreement, entered into as of April 13, 2017, among Ultra Resources, Inc., Cortland Capital Market Services LLC and Bank of America, N.A.

5. Attached as Exhibit 3 is a true and correct copy of the Letter from D. Seligman, of Kirkland & Ellis LLP, to Cortland Capital Market Services LLC, administrative agent for the holders of the OpCo Funded Debt Claims, dated September 26, 2017.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: October 3, 2017

/s/ *James W. Burke*
James W. Burke

Exhibit 1

EXECUTION VERSION

PLEDGE AGREEMENT

PLEDGE AGREEMENT dated as of April 13, 2017, between Ultra Resources, Inc., in its capacity as a debtor in possession in the Chapter 11 Cases (the "Debtor") and as a Reorganized Debtor (collectively in such capacities, the "Original Pledgor", and together with any Additional Pledgors, the "Pledgors"); and Cortland Capital Market Services LLC, as administrative agent (in such capacity, together with its successors in such capacity, the "Administrative Agent") for the holders of the Disputed Class 4 Claims (the "Holders").

The parties hereto agree as follows:

Section 1. Definitions, Etc.

1.01 Certain Uniform Commercial Code Terms. As used herein, the terms "Accession", "Deposit Account" and "Proceeds" have the respective meanings set forth in Article 9 of the NYUCC.

1.02 Additional Definitions. In addition, as used herein:

"Additional Pledgor" has the meaning assigned to such term in Section 8.12.

"Agent Fee Letter" means that certain letter agreement, dated as of the date hereof, by and between the Administrative Agent and the Pledgors.

"Allowance Order" means an order of the Bankruptcy Court determining the Allowance of the Disputed Class 4 Claims.

"Allowed Class 4 Claims" means Disputed Class 4 Claims that are determined to be Allowed Class 4 Claims by an Allowance Order.

"Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Texas, Houston Division, or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of any reference under 28 U.S.C. § 157, the United States District Court for the Southern District of Texas

"Chapter 11 Cases" means the procedurally consolidated chapter 11 cases, bearing case number 16-32202, pending for the Debtors before the Bankruptcy Court.

"Collateral" has the meaning assigned to such term in Section 4.

"Collateral Document" means any account control agreement pertaining to the Reserve Account and any other security or pledge document as may be executed and delivered by any Pledgor for the benefit of the Holders in connection herewith or with the Plan Documents.

"Confirmation Order" means the Order Confirming the Debtors' Second Amended Joint Chapter 11 Plan of Reorganization entered by the Bankruptcy Court, dated March 14, 2017.

"Deposit Account Control Agreement" means the Deposit Account Control Agreement, dated as of the date hereof, by and among the Deposit Bank, the Administrative Agent and Ultra Resources, Inc., and which relates to the Reserve Account.

"Deposit Bank" means Bank of America, National Association.

"Linked Account" has the meaning assigned to such term in the Deposit Account Control Agreement.

"Majority Participating Holders" means the Participating Holders holding more than 50% of the Disputed Class 4 Claims of the OpCo Group together with the Participating Holders holding more than 50% of the Disputed Class 4 Claims of the OpCo Noteholder Group, in each case calculated based on the list of Holders and respective holdings set forth on Exhibit B attached hereto or as such list and such holdings are otherwise reconstituted from time to time upon written notice to the Administrative Agent.

"NYUCC" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"OpCo Group" means the Holders party to the OpCo Group Stipulation.

"OpCo Noteholder Group" means the Holders party to the OpCo Noteholder Group Stipulation.

"Participating Holders" means the members of the OpCo Group and the members of the OpCo Noteholder Group.

"Participating Holder Consent" means the consent of the OpCo Group and the OpCo Noteholder Group to the release of the Collateral as contemplated in Paragraph 156 of the Confirmation Order, which shall be confirmed by the Bankruptcy Court.

"Plan Documents" means the Plan, the Confirmation Order, any Order of the Bankruptcy Court related to the Allowance of the Disputed Class 4 Claims (whether prior to, on or after the date hererof), the OpCo Group Stipulation and the OpCo Noteholder Group Stipulation, in each case, as may be amended, supplemented, modified, renewed, restated, replaced or extended from time to time.

"Reorganized Debtor" means a Debtor, or any successor or assign thereto, by merger, consolidation, or otherwise, on and after the Effective Date, pursuant to the Plan.

"Reserve Account" means one or more interest-bearing Deposit Accounts held at the Deposit Bank in accordance with the Plan Documents and the Deposit Account Control Agreement together with any other Deposit Account, bank account, sub-account, auxiliary account or any other account related thereto, and any replacement, substitute, supplemental or successor account or accounts, including the bank accounts specified in Annex 1.

"Secured Holders" means, collectively, the Holders and the Administrative Agent, any other holder from time to time of any of the Secured Obligations and, in each case, their respective successors and assigns.

"Secured Obligations" means, (a) prior to the date of an Allowance Order or, if earlier, the date on which Participating Holder Consent is granted, the Disputed Class 4 Claims, (b) on or after the date of

an Allowance Order or, if earlier, the date on which a Participating Holder Consent is granted, all amounts payable to the Holders in accordance with the Allowance Order or Participating Holder Consent, as applicable, and (c) obligations in favor of the Administrative Agent under the Agent Fee Letter, together in each case with any other obligations relating thereto.

"Triggering Event" means (a) the entry of an Allowance Order or (b) the grant of Participating Holder Consent.

1.03 Terms Generally. Terms used herein and not otherwise defined herein are used herein as defined in the Plan Documents. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in the Plan Documents), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Annexes shall be construed to refer to Sections of, and Exhibits and Annexes to this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, supplemented or otherwise modified from time to time, (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (g) the word "from" when used in connection with a period of time means "from and including" and the word "until" means "to but not including" and (h) references to days, months, quarters and years refer to calendar days, months, quarters and years, respectively.

Section 2. Conditions Precedent. This Agreement shall become effective as of the date upon which the following conditions shall have been satisfied or otherwise waived by the Administrative Agent:

(a) the Administrative Agent shall have received executed counterparts of this Agreement and the Agent Fee Letter;

(b) all fees and other amounts due and payable to the Administrative Agent on or prior to the date hereof shall have been paid (including amounts payable pursuant to the Agent Fee Letter) without any reduction from the Reserve Funds; and

(c) the Administrative Agent shall have received such documentation or other information as it shall deem reasonably necessary in connection with applicable "know your customer" and anti-money-laundering rules and regulations.

Section 3. Representations and Warranties. Each Pledgor represents and warrants to the Administrative Agent for the benefit of the Secured Holders that no Linked Accounts exist as of the date hereof.

Section 4. Collateral. As collateral security for the payment in full of the Secured Obligations, each Pledgor hereby pledges and grants to the Administrative Agent for the benefit of the Secured Holders as hereinafter provided a security interest in all of such Pledgor's right, title and interest in, to and under the following property, in each case whether tangible or intangible, wherever located, and whether now owned by such Pledgor or hereafter acquired and whether now existing or hereafter coming into existence (all of the property described in this Section 4 being collectively referred to herein as "Collateral"):

(a) the Reserve Account;

(b) all amounts and contents from time to time on deposit or held in the Reserve Account; and

(c) all Proceeds of any of the Collateral, all Accessions to and substitutions and replacements for, any of the Collateral, and all offspring, rents, profits and products of any of the Collateral, and, to the extent related to any Collateral, all books, correspondence, credit files, records, invoices and other papers (including all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Pledgor or any computer bureau or service company from time to time acting for such Pledgor).

Section 5. [Intentionally Omitted.]

Section 6. Further Assurances; Remedies. In furtherance of the grant of the security interest pursuant to Section 4, the Pledgors hereby jointly and severally agree with the Administrative Agent for the benefit of the Secured Holders as follows:

6.01 Delivery and Other Perfection; Information. Each Pledgor shall promptly from time to time (a) give, execute, deliver, file, record, authorize or obtain all such financing statements, continuation statements, notices, instruments, documents, account control or other agreements or consents or other papers as may be necessary or, in the judgment of the Administrative Agent, desirable to create, preserve, perfect, maintain the perfection of or validate the security interest granted pursuant hereto or to enable the Administrative Agent to exercise and enforce its rights hereunder with respect to such security interest, and (b) provide to the Administrative Agent any balance report or other information pertaining to the Reserve Account as the Administrative Agent, in its own capacity or at the request of any Holder, may reasonably request.

6.02 Other Financing Statements or Control; Other Security Interests. No Pledgor shall (a) file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to any of the Collateral in which the Administrative Agent is not named as the sole secured party for the benefit of the Secured Creditors, (b) cause or permit any person other than the Administrative Agent to have "control" (as defined in Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) of any Reserve Account or any other property or asset constituting part of the Collateral or (c) create, incur, assume or permit to exist any other lien, change, pledge, security interest or similar encumbrance on or with respect to the Reserve Account.

6.03 Preservation of Rights. The Administrative Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

6.04 Linked Accounts. The Pledgors shall not establish or maintain any Linked Accounts.

6.05 Remedies.

(a) Triggering Event. Upon the occurrence of a Triggering Event and at any time thereafter during a continuance of such Triggering Event, the Administrative Agent, upon direction of the Bankruptcy Court and in accordance with the Allowance Order (if applicable), shall exercise such rights and remedies granted to it hereunder, under any Plan Document or under any Collateral Document and all of its rights under any other applicable law or in equity, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Pledgor; provided that upon the occurrence of a Triggering Event specified in clause (b) of the definition thereof, the Administrative Agent shall exercise such rights or remedies upon the grant of, and in accordance with the terms of, the Participating Holder Consent.

(b) Rights and Remedies Generally upon Triggering Event. If a Triggering Event shall have occurred and is continuing, the Administrative Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not the Uniform Commercial Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including the right, to the fullest extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Administrative Agent were the sole and absolute owner thereof (and each Pledgor agrees to take all such action as may be appropriate to give effect to such right), including delivery of an instruction or control notice in respect of any Reserve Account and application of the Reserve Account and any money or other property therein to payment of the Secured Obligations and, in each case, to the extent provided for under the Allowance Order or the Participating Holder Consent, as applicable. The Proceeds of each collection, sale or other disposition under this Section 6.05 shall be applied in accordance with Section 6.09.

(c) Notice. The Pledgors agree that to the extent the Administrative Agent is required by applicable law to give reasonable prior notice of any sale or other disposition of any Collateral, ten Business Days' notice shall be deemed to constitute reasonable prior notice.

6.06 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 6.05 are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Pledgors shall remain liable for any deficiency.

6.07 [Intentionally Omitted.]

6.08 [Intentionally Omitted.]

6.09 Application of Proceeds. The Proceeds of any exercise of rights or remedies pursuant hereto (including any collection, sale or other realization of all or any part of the Collateral), and any other cash at the time held by the Administrative Agent under this Section 6, shall be applied by the Administrative Agent within 10 days after the entry of an Allowance Order or the grant of a Participating Holder Consent, provided Administrative Agent has the appropriate information and know your customer documentation to so apply the funds:

First, to the payment of the costs and expenses of such collection, sale or other realization, and all other Secured Obligations owing to the Administrative Agent, including reasonable out-of-pocket costs and expenses of the Administrative Agent and the fees and expenses of its agents and counsel, and all expenses incurred and advances made by the Administrative Agent, in each case in connection therewith;

Second, to the payment of all Secured Obligations in accordance with an Allowance Order or, if applicable, the grant of Participating Holder Consent; and

Finally, to the payment to the Reorganized Debtor or any applicable successors or assigns, of any surplus then remaining; provided that no amounts shall be applied under "Second" and "Finally" above unless and until the entry of an Allowance Order or, if earlier, the grant of Participating Holder Consent.

6.10 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Administrative Agent while no Triggering Event has occurred and is continuing, upon the occurrence and during the continuance of any Triggering Event the Administrative Agent is hereby appointed the attorney-in-fact of each Pledgor for the purpose of carrying out the provisions of this Section 6 and taking any action and executing any instruments that the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Administrative Agent shall be entitled under this Section 6 to make collections in respect of the Collateral, the Administrative Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of any Pledgor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

Section 7. Administrative Agent.

7.01 Appointment of Administrative Agent. The Pledgors hereby irrevocably appoint Cortland Capital Market Services LLC to act as the Administrative Agent for the Holders and authorize the Administrative Agent to take such actions on the Holders' behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 7 are solely for the benefit of the Secured Holders, and the Pledgors shall not have rights as third-party beneficiaries of any of such provisions. It is understood and agreed that the use of the term "agent" herein with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. The parties hereto agree that the Holders are third party beneficiaries of this Agreement and have the right to enforce their rights hereunder.

7.02 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein, which shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Triggering Event has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise as directed in writing by the Majority Participating Holders; provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to the Plan Documents or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under the Bankruptcy Code; and

(iii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Pledgors or any of their affiliates that is communicated to or obtained by the Administrative Agent or any of its affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Participating Holders or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Triggering Event unless and until written notice describing such Triggering Event is given to the Administrative Agent in writing by the Pledgors or a Holder.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any Plan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Triggering Event, or (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Plan Document or any other agreement, instrument or document.

7.03 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper person or entity. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person or entity, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Pledgors), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts selected by it with due care. The Administrative Agent may request any additional documentation or other information as it shall deem reasonably necessary in connection with its role as Administrative Agent hereunder, including in respect of applicable "know your customer" and anti-money-laundering rules and regulations, and it may consult with or request the assistance of legal counsel to the OpCo Group and the OpCo Noteholder Group in connection with the implementation or execution of an Allowance Order or Participating Holder Consent.

7.04 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Plan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such

sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective related parties. The exculpatory provisions of this Section 7 shall apply to any such sub-agent and to the related parties of the Administrative Agent and any such sub-agent, and shall apply to activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

7.05 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Holders and the Pledgors. Upon receipt of any such notice of resignation, the Majority Participating Holders shall have the right, in consultation with the Pledgors, to appoint a successor, which shall be a bank with an office in New York, New York, or an affiliate of any such bank with an office in New York, New York. If no such successor shall have been so appointed by the Majority Participating Holders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Majority Participating Holders), then (i) the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Holders, appoint a successor Administrative Agent meeting the qualifications set forth above and (ii) if the retiring Administrative Agent shall not have appointed a successor Administrative Agent pursuant to the foregoing clause (i) within 5 business days, the Pledgors may appoint a successor Administrative Agent meeting the qualifications set forth above (the date of such appointment pursuant to the foregoing, or if no such appointment has been accepted, the date that is 5 business days after the Pledgor has the right pursuant to the foregoing clause (ii), the "Resignation Effective Date"). Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and (2) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Holder directly, until such time, if any, as the Majority Participating Holders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder. After the retiring Administrative Agent's resignation hereunder, the provisions of this Section 7 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective related parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

7.06 Fees. The Pledgors shall, and hereby agree to, pay any and all fees and other amounts payable as set forth in the Agent Fee Letter.

Section 8. Miscellaneous.

8.01 Notices. All notices, requests, consents and demands hereunder shall be in writing and delivered to the intended recipient at its "Address for Notices" specified beneath its name on the signature pages hereto or, as to any party, at such other address as shall be designated by such party in

a notice to each other party or, in the case of the Participating Holders, at such address provided to the Administrative Agent. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

8.02 No Waiver. No failure on the part of any Participating Holder or the Administrative Agent to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by any Participating Holder or the Administrative Agent of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

8.03 Amendments, Etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by each Pledgor and the Administrative Agent (with the consent of the Majority Participating Holders); provided, however, that none of Sections 4, 6.04, 6.05, 6.06, 6.09, 8.03 or 8.04(d) shall be amended without the consent of each Participating Holder. Any such amendment or waiver shall be binding upon the Secured Holders and each Pledgor.

8.04 Expenses; Indemnification.

(a) The Pledgors jointly and severally agree to reimburse the Administrative Agent for all reasonable costs and expenses incurred by it (including the reasonable fees and expenses of legal counsel) in connection with (i) any Triggering Event and any enforcement or collection proceeding resulting therefrom, including all manner of participation in or other involvement with (w) performance by it of any obligations of the Pledgors in respect of the Collateral that the Pledgors have failed or refused to perform, (x) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting its rights and claims in respect thereof, by litigation or otherwise, including expenses of insurance, (y) judicial or regulatory proceedings and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (ii) the enforcement of this Section 8.04, and all such costs and expenses shall be Secured Obligations entitled to the benefits of the Collateral provided pursuant to Section 4.

(b) Each Pledgor agrees to pay, and to hold the Administrative Agent harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Pledgor agrees to pay, and to hold the Administrative Agent harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement or the Deposit Account Control Agreement (including any obligation to pay indemnities and other amounts to the Deposit Bank).

(d) Without limiting paragraph 167 of the Confirmation Order, each Pledgor agrees to reimburse the costs and expenses of, and to hold harmless from any and all liabilities, each of the

Secured Parties (other than the Administrative Agent) to the extent required under the documents governing the applicable OpCo Funded Debt.

(e) The agreements in this Section 8.04 shall survive repayment of all amounts payable to the Secured Holders under the Plan Documents.

8.05 Successors and Assigns. (a) This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each Pledgor and the Secured Holders (provided that no Pledgor shall assign or transfer its rights or obligations hereunder without the prior written consent of the Administrative Agent) and (b) any Holder may in accordance with applicable law, assign all or a portion of its rights and obligations under this Agreement, provided that, notwithstanding any such assignment, the Administrative Agent shall apply the Proceeds of any collection, sale or other realization of all or any party of the Collateral solely to the Holders existing and identified as of the date hereof on Exhibit B hereto and solely in accordance with Section 6.09 unless, in each case, otherwise determined by the Bankruptcy Court.

8.06 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

8.07 Governing Law; Submission to Jurisdiction; Etc.

(a) Governing Law. This Agreement and any right, remedy, obligation, claim, controversy, dispute or cause of action (whether in contract, tort or otherwise) based upon, arising out of or relating to this Agreement shall be governed by, and construed in accordance with, the law of the State of New York without regard to conflicts of law principles that would lead to the application of laws other than the law of the State of New York.

(b) Submission to Jurisdiction. Each Pledgor hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Secured Holder or Administrative Agent may otherwise have to bring any action or proceeding relating to this Agreement against any Pledgor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Pledgor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section 8.07. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

8.08 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

8.09 Captions. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

8.10 Agents and Attorneys-in-Fact. The Administrative Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

8.11 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Secured Holders in order to carry out the intentions of the parties hereto as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

8.12 Additional Pledgors. Upon any subsidiary of the Original Pledgor (including any subsidiary formed or acquired after the date hereof) or any direct or indirect parent entity of the Original Pledgor acquiring any right, title or interest in or to the Reserve Account, such subsidiary and/or parent entity, as applicable shall automatically and immediately, and without any further action, become a Pledgor under this Agreement (an "Additional Pledgor"). Simultaneously with the acquisition of any such right, title or interest in or to the Reserve Account, the Additional Pledgor shall execute and deliver to the Administrative Agent a joinder agreement in the form provided on Exhibit A hereto. This Agreement is binding upon each such subsidiary or parent entity whether or not such person was such a subsidiary or parent entity upon execution of this Agreement, and each such person consents to and agrees to be bound by the terms hereof.

8.13 Entire Agreement. This Agreement, the Plan Documents and the Collateral Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

PLEDGORS

ULTRA RESOURCES, INC., as a Pledgor

By _____

Name: Garland R. Shaw
Title: Senior Vice President and Chief Financial Officer

Address for Notices:
400 N. Sam Houston Parkway E.
Suite 1200
Houston, TX
Tel: (281) 876-0120
Email: gshaw@ultrapetroleum.com

ADMINISTRATIVE AGENT

CORTLAND CAPITAL MARKET SERVICES LLC,
as Administrative Agent

By _____
Name: Emily Ergang Pappas
Title: Associate Counsel

Address for Notices

225 W. Washington St., 21st Floor
Chicago, Illinois 60606
Attn: Legal Department
Email: legal@cortlandglobal.com

ANNEX 1

LIST OF RESERVE ACCOUNTS

Pledgor	Name of Depositary Bank	Account Number	Account Name
Ultra Resources, Inc.	Bank of America, N.A.	[redacted]	[Reserve Account]

[FORM OF]
PLEDGE AGREEMENT JOINDER

The undersigned hereby acknowledges and confirms its joinder as Pledgor to that certain Pledge Agreement dated as of April 13, 2017 (the "Pledge Agreement") between Ultra Resources, Inc., in its capacity as Debtor and as Reorganized Debtor (in such capacities, and together with any Additional Pledgors, the "Pledgors"); and Cortland Capital Market Services LLC ("Cortland") as Administrative Agent, for all purposes thereof on the terms set forth therein, and to be bound by the terms of the Pledge Agreement as fully as if the undersigned had executed and delivered the Pledge Agreement as of the date thereof. Terms used herein and not otherwise defined herein have the meanings assigned to such terms in the Pledge Agreement.

EXHIBIT A

IN WITNESS WHEREOF, the undersigned has caused this Pledge Agreement Joinder to be executed by its officer or representative as of [____], 20[__].

[Additional Pledgor]

By: _____
Name:
Title:

EXHIBIT B

List of Holders

Exhibit 2

(Account – Without Activation)

DEPOSIT ACCOUNT CONTROL AGREEMENT

This Deposit Account Control Agreement (the "Agreement") is entered into as of April 13, 2017, among Ultra Resources, Inc. ("Company"), Cortland Capital Market Services LLC ("Secured Party") and Bank of America, N.A. ("Bank") with respect to the following:

RECITALS:

A. Bank has agreed to establish and maintain for Company certain deposit account identified as number [redacted] (referred to as the "Account").

B. Company has assigned to Secured Party a security interest in the Account and in any checks, automated clearinghouse ("ACH") transfers, wire transfers, instruments and other payment items (collectively, "Funds") deposited in the Account.

C. Company and Secured Party have requested Bank to enter into this Agreement to evidence Secured Party's security interest in the Account and to provide for the disposition of the Funds deposited in the Account.

D. Bank is willing to enter into this Agreement for the benefit of Company and Secured Party pursuant to the terms and conditions set forth herein.

Accordingly, Company, Secured Party and Bank agree as follows:

1. Secured Party's Control over the Account.

(a) This Agreement evidences Secured Party's control over the Account. Notwithstanding any contrary duties owed by Bank to Company under any other deposit account agreements, terms and conditions or other documentation entered into by and between Bank and Company governing the Account and any cash management or similar services provided by Bank or an affiliate of Bank in connection with the Account, including without limitation, services in connection with any "Lockbox" (as defined below) (collectively, the "Account Related Agreements"), Bank will comply with instructions originated by Secured Party as set forth herein directing the disposition of Funds in the Account without further consent of Company. Bank may follow such instructions even if doing so results in the dishonoring by Bank of items presented for payment from the Account or Bank otherwise not complying with any instruction from Company directing the disposition of any Funds in the Account.

(b) Company represents and warrants to Secured Party and Bank that it has not assigned or granted a security interest in the Account or any Funds deposited in the Account, except to Secured Party and Bank.

(c) Company will not permit the Account to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind ("Charges"), other than Secured Party's security interest referred to herein, Bank's setoffs and the Charges permitted hereinafter.

(d) Company covenants to Secured Party that it will not close the Account prior to the termination of this Agreement. Bank shall have no liability in the event Company breaches this covenant to Secured Party.

2. Company Access to the Account. Except as otherwise provided in this Section 2 of this Agreement, prior to the Activation Effective Time (as defined below) Bank may honor withdrawal, payment, transfer, or other instructions originated by Company concerning the disposition of Funds in the Account (collectively, "Company Instructions"). On and after the Activation Effective Time, Bank shall only honor instructions originated by Secured Party concerning the disposition of Funds in the Account ("Secured Party Instructions") without further consent from Company and Company shall have no right or ability to access, withdraw or transfer Funds from the Account. Except as provided herein, no Secured Party Instructions may be rescinded or modified without Bank's consent. Both Secured Party and Company acknowledge that Bank may, without liability, (i) comply with any Company Instructions or otherwise complete a transaction involving the Account that Bank or an affiliate had started to process before the Activation Effective Time and (ii) commence to solely honor Secured Party Instructions at any time or from time to time after the effective date of this Agreement even if prior to the Activation Effective Time (including without limitation halting, reversing or redirection of any transaction), which actions (under (i) and/or (ii)) shall not, in any way, affect the commencement of the Activation Effective Time. The Account may receive merchant card deposits and chargebacks. Company acknowledges and agrees that upon commencement of the Activation Effective Time, chargebacks may be blocked from debiting the Account.

For purposes hereof, and notwithstanding anything to the contrary in this Agreement, the "Activation Effective Time" shall commence upon the opening of business on the second Banking Day (as defined below) following the Banking Day on which this Agreement becomes effective; provided, however, that if this Agreement is executed on any day after 12:00 noon, Eastern Time, this Agreement shall be deemed to be effective on the next Banking Day. A "Banking Day" is any day other than a Saturday, Sunday or other day on which Bank is authorized or is required by law to be closed.

After commencement of the Activation Effective Time, all Funds in the Account shall be held in the Account until such time as Secured Party sends to Bank Secured Party Instructions, substantially in the form of Exhibit A and sent to the location set forth in Section 14(e), and then, within a reasonable time, not to exceed five (5) Banking Days, after Bank's acknowledgment of its receipt of the aforementioned Secured Party Instructions, and continuing on each Banking Day thereafter, Bank shall wire transfer all immediately available Funds in the Account in excess of the Retained Balance (as defined below) provided for in Section 15 herein to the account specified in said Secured Party Instructions.

In the event Secured Party requests in writing a change to the wire transfer instructions set forth in the aforementioned Secured Party Instructions or any subsequent Secured Party Instructions by sending a written notice to Bank in substantially the form of Exhibit B and sent to the location set forth hereunder, any such change requested by Secured Party shall commence within a reasonable time after the opening of business on the second Banking Day following the Banking Day on which receipt of such notice is acknowledged by Bank; provided, however, that

if such receipt is acknowledged on any day after 12:00 noon, Eastern Time, the acknowledgment shall be deemed to have occurred on the next Banking Day.

Funds are not available if (i) they are not available pursuant to Bank's funds availability policy as set forth in the Account Related Agreements or (ii) in the reasonable determination of Bank, (A) they are subject to hold, dispute or a binding order, judgment, decree or injunction or a garnishment, restraining notice or other legal process directing or prohibiting or otherwise restricting, the disposition of the Funds in the Account or (B) the transfer of such Funds would result in Bank failing to comply with a statute, rule or regulation.

3. Returned Items. Secured Party and Company understand and agree that the face amount ("Returned Item Amounts") of each Returned Item (as defined herein) may be paid by Bank by debiting the Account to which the Returned Item was originally credited, without prior notice to Secured Party or Company. As used in this Agreement, the term "Returned Item" means (i) any item deposited to the Account and returned unpaid or otherwise uncollected, whether for insufficient funds or for any other reason, and without regard to timeliness of the return or the occurrence or timeliness of any drawee's notice of non-payment; (ii) any item subject to, a claim against Bank for breach of transfer or presentment warranty under the Uniform Commercial Code (as adopted in the applicable state), Regulation CC (12 C.F.R. §229), clearing house operating rules or the National Automated Clearing House Association as in effect from time to time; (iii) any ACH entry credited to the Account and returned unpaid or subject to an adjustment entry under applicable clearing house rules, whether for insufficient funds or for any other reason, and without regard to timeliness of the return or adjustment; (iv) any credit to the Account from a merchant card transaction, against which a contractual demand for chargeback has been made; and (v) any credit to the Account made in error and any other adjustments including those due to encoding errors or other items posted to the Account in error.

4. Settlement Items. Secured Party and Company understand and agree that Bank may pay the face amount ("Settlement Item Amounts") of each "Settlement Item" (as defined herein) by debiting the applicable Account, without prior notice to Secured Party or Company. As used in this Agreement, the term "Settlement Item" means (i) each check or other payment order drawn on or payable against any controlled disbursement account, a "Controlled Balance Account" (as defined below)or other deposit account at any time linked to the Account by a controlled balance arrangement (each a "Linked Account"), which Bank takes for deposit or value, cashes or exchanges for a cashier's check or official check in the ordinary course of business prior to the Activation Effective Time, and which is presented for settlement against the Account (after having been presented against the Linked Account) after the Activation Effective Time, (ii) each check or other payment order drawn on or payable against the Account, which, prior to the Activation Effective Time, Bank takes for deposit or value, assures payment pursuant to a banker's acceptance, cashes or exchanges for a cashier's check or official check in the ordinary course of business after Bank's cutoff time for posting, (iii) each ACH credit entry initiated by Bank, as originating depository financial institution, on behalf of Company, as originator, prior to the Activation Effective Time, which ACH credit entry settles after commencement of the Activation Effective Time, and (iv) any other payment order drawn on or payable against the Account, which Bank has paid or funded prior to the Activation Effective Time, and which is first presented for settlement against the Account in the ordinary course of business after the Activation Effective Time. Company and Secured Party acknowledge and agree that, if there is a Linked Account not subject to

this Agreement, upon commencement of the Activation Effective Time any such Linked Account will be de-linked and will no longer transfer balances to or from the Account. "Controlled Balance Account" is a deposit account that is linked to one or more other deposit accounts in order to allow transfers to be made between such accounts on an automated basis, pursuant to Company Instructions, in order to maintain a specified balance in one or more of any Linked Account, including, without limitation, zero balance arrangements where transfers are made to a subaccount from a master account or from a subaccount to a master account at the end of each Banking Day in order to maintain a zero balance in such subaccount at the end of such Banking Day.

5. Account Related Agreements. This Agreement supplements, rather than replaces, the Account Related Agreements. The Account Related Agreements will continue to apply to the Account, Lockbox, and cash management or similar services provided by Bank or any affiliate of Bank in connection with the Account to the extent not directly in conflict with the provisions of this Agreement (provided, however, that in the event of any such conflict, the provisions of this Agreement shall control).

6. Lockboxes. To the extent that any Funds to be deposited to the Account have been received in one or more post office lockboxes maintained for Company by Bank (each a "Lockbox") and have been or will be processed by Bank for deposit to the Account in accordance with the terms of the applicable Account Related Agreement (the "Remittances"), Company acknowledges that Company has granted to Secured Party a security interest in all Remittances. Company agrees that after the effective date of this Agreement, Company will not instruct Bank regarding the receipt, processing or deposit of Remittances nor will it attempt to change or redirect the items deposited in the Lockbox. Company and Secured Party acknowledge and agree that Bank's operation of each Lockbox, and the receipt, retrieval, processing and deposit of Remittances, will at all times be governed by the Account Related Agreements.

7. Permitted Debits. Bank agrees that, after the Activation Effective Time, Bank shall not offset, charge, deduct, debit or otherwise withdraw funds from the Account, except as permitted by this Section 7, until Bank has been advised in writing by Secured Party that this Agreement has been terminated. Secured Party shall notify Bank promptly in writing upon payment in full of Company's obligations by means of the Termination Notice (as defined below).

Continuing after commencement of the Activation Effective Time, Bank is permitted to debit the Account for:

(a) Bank's fees and charges relating to the Account or associated with this Agreement (collectively "Bank Fees");

(b) any Returned Item Amounts; and

(c) any Settlement Item Amounts.

Bank's right to debit the Account under this Section 7 shall exist notwithstanding any obligation of Company or Secured Party to reimburse or indemnify Bank.

8. Company and Secured Party Responsibilities.

(a) If the balances in the Account are not sufficient to compensate Bank for any Bank Fees, Company agrees to pay Bank on demand the amount due Bank. If Company fails to so pay Bank and such Bank Fees are incurred on or after the Activation Effective Time, Secured Party agrees to pay Bank within five days after Bank's demand to Secured Party with respect to such Bank Fees. The failure of Company or Secured Party to so pay Bank shall constitute a breach of this Agreement.

(b) If the balances in the Account are not sufficient to compensate Bank for any Returned Item Amounts or Settlement Item Amounts, Company agrees to pay Bank on demand the amount due Bank. If Company fails to so pay Bank immediately upon demand, Secured Party agrees to pay Bank the amount due within five days after Bank's demand to Secured Party to pay such amount up to any amount transferred to an account designated by Secured Party. The failure by Company or Secured Party to so pay Bank shall constitute a breach of this Agreement.

(c) Bank is authorized, without prior notice and without regard to this Agreement or any other control agreement with Secured Party, from time to time to debit any other account Company may have with Bank for the amount or amounts due Bank under this Agreement or any other Account Related Agreement.

(d) At the request of Bank, Company agrees to provide Bank with monthly unaudited and annual audited financial statements within a reasonable period of time after the end of each month or year-end, as applicable, to Bank's address set forth below.

9. Bank Statements. Upon written request by Secured Party, in addition to the original bank statement for the Account provided to Company, Bank will provide Secured Party with a duplicate of such statement.

10. Bank's Responsibility/Limitation of Liability.

(a) Bank will not be liable to Company or Secured Party for any expense, claim, loss, damage or cost ("Damages") arising out of or relating to its performance or failure to perform under this Agreement other than those Damages that result solely and directly from Bank's acts or omissions constituting gross negligence or intentional misconduct as determined in a court of competent jurisdiction in a final non-appealable order. Bank's obligations hereunder shall be that of a depository bank, and nothing in this Agreement shall create custodial or bailee obligations.

(b) Notwithstanding the foregoing, in the event that a court or other trier of fact determines that Bank breached its obligations owing under this Agreement, Company and Secured Party agree that the amount that may be awarded, for whatever reason or cause, shall in no event exceed the fee actually paid to Bank for Bank's agreement to provide the services required under this Agreement. In no event will Bank be liable for any special, indirect, exemplary, punitive or consequential damages, including but not limited to lost profits.

(c) Bank will be excused from any failure to act or delay in acting, and no such failure or delay shall constitute a breach of this Agreement or otherwise give rise to any liability of Bank, if (i) such failure or delay is caused by circumstances beyond Bank's reasonable control, including but not limited to legal constraint, emergency conditions, action or inaction of governmental, civil or military authority, fire, strike, lockout or other labor dispute, war, riot, theft,

acts of terrorism, flood, earthquake or other natural disaster, breakdown of public or private or common carrier communications or transmission facilities, equipment failure, or negligence or default of Company or Secured Party or (ii) such failure or delay resulted from Bank's reasonable belief that the action would have violated any of Bank's guidelines or policies, or rule or regulation of any governmental authority.

(d) Bank shall have no duty to inquire or determine whether Company's obligations to Secured Party are in default or whether Secured Party is entitled to provide any Secured Party Instructions to Bank. Bank may rely on notices and communications it believes in good faith to be genuine and given by the appropriate party. Bank may accept, acknowledge or act upon any notice, instructions or other directions hereunder that contain minor mistakes or other irregularities, including notices that fail to attach an accurate copy of this Agreement.

(e) Notwithstanding any of the other provisions in this Agreement, in the event of the commencement of a case pursuant to Title 11, United States Code, filed by or against Company, or in the event of the commencement of any similar case under then applicable federal or state law providing for the relief of debtors or the protection of creditors by or against Company, Bank may act as Bank deems reasonably necessary to comply with all applicable provisions of governing statutes and shall not be in violation of this Agreement as a result.

(f) Bank shall be permitted to comply with any writ, levy, order or other similar judicial or regulatory order or process concerning the Account or any Funds and shall not be in violation of this Agreement for so doing.

11. Indemnities.

(a) Company shall indemnify, defend and hold harmless Bank against all liabilities, expense, claim, loss, damage or cost of any nature (including but not limited to allocated costs of in-house legal services and other reasonable attorney's fees) and any other fees and expenses, whether to Bank or to third parties ("Losses") in any way arising out of or relating to this Agreement, including all costs of settlement of claims. This section does not apply to any Losses solely attributable to gross negligence or intentional misconduct of Bank as determined by a court of competent jurisdiction in a final non-appealable order.

(b) Company shall pay to Bank, upon receipt of Bank's invoice, all documented costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Bank in connection with the enforcement of this Agreement or any related instrument or agreement, including but not limited to any costs, expenses and fees arising out of the resolution of any conflict, dispute, motion regarding entitlement to rights or rights of action, or other action relating to Bank's rights or obligations in a case arising under Title 11, United States Code. Company agrees to pay Bank, upon receipt of Bank's invoice, all documented costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Bank in the preparation and administration of this Agreement or any related instrument or agreement (including any amendments thereto).

12. Termination and Assignment of this Agreement.

(a) Secured Party may terminate this Agreement by providing notice substantially in the form of Exhibit C (the "Termination Notice") together with a copy of this Agreement to Company and Bank, provided that Bank shall have a reasonable time to act on such termination. Secured Party may assign this Agreement by providing 30 days' prior written notice of such assignment and assumption together with a copy of this Agreement to Company and Bank. Bank may terminate this Agreement upon 30 days' prior written notice to Company and Secured Party. Company may not terminate this Agreement except with the written consent of Secured Party and upon prior written notice to Bank.

(b) Notwithstanding subsection 12(a), Bank may terminate this Agreement at any time by written notice to Company and Secured Party if either Company or Secured Party breaches any of the terms of this Agreement, or if Company breaches any other agreement with Bank.

(c) This Agreement may be terminated at any time by written agreement among Company, Secured Party and Bank.

(d) Sections 8, 10 and 11 shall survive any termination of this Agreement.

13. Representations and Warranties.

(a) Each party represents and warrants to the other parties that (i) this Agreement constitutes its duly authorized, legal, valid, binding and enforceable obligation; (ii) the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereunder will not (A) constitute or result in a breach of its certificate or articles of incorporation or organization, by-laws, limited liability company operating agreement, charter, partnership agreement, or other formation or organizational documents, as applicable, or the provisions of any material contract to which it is a party or by which it is bound or (B) result in the violation of any law, regulation, judgment, decree or governmental order applicable to it; and (iii) all approvals and authorizations required to permit the execution, delivery, performance and consummation of this Agreement and the transactions contemplated hereunder have been obtained.

(b) Company agrees that it shall be deemed to make and renew each representation and warranty in subsection 13(a) on and as of each day on which Company uses the services set forth in this Agreement. Secured Party agrees it shall be deemed to make and renew each representation and warranty in subsection 13(a) upon sending any Secured Party Instructions to Bank.

14. Miscellaneous.

(a) This Agreement may be amended only by a writing signed by Company, Secured Party and Bank; except that Bank Fees are subject to change by Bank upon 30 days' prior written notice to Company.

(b) This Agreement may be executed in counterparts; all such counterparts shall constitute but one and the same agreement. This Agreement shall become effective when it shall have been executed by Bank and when Bank shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed

counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

(c) This Agreement controls in the event of any conflict between this Agreement and any other document or written or oral statement. This Agreement supersedes all prior understandings, writings, proposals, representations and communications, oral or written, of any party relating to the subject matter hereof.

(d) This Agreement shall be interpreted in accordance with New York law, without reference to that state's conflict of law principles.

(e) Any written notice or other written communication to be given under this Agreement shall be addressed or faxed to each party at its address or fax number set forth on the signature page of this Agreement or to such other address or fax numbers a party may specify in writing in accordance with this Section 14. Except as otherwise expressly provided herein, any such notice sent via (i) mail or overnight courier shall be effective upon receipt or (ii) fax transmission shall be effective upon successful transmission thereof, provided such notice is also sent via overnight courier.

(f) Nothing contained in this Agreement shall create any agency, fiduciary, joint venture or partnership relationship among any of Bank, Company or Secured Party, and nothing in this Agreement shall create custodial or bailee obligations of Bank to any party. Company and Secured Party agree that nothing contained in this Agreement, nor any course of dealing among the parties to this Agreement, shall constitute a commitment or other obligation on the part of Bank to extend credit or services to Company or Secured Party.

(g) Each party hereto intentionally, knowingly and voluntarily irrevocably waives any right to trial by jury in any proceeding related to this Agreement.

15. Retained Balance. During the term hereof, there shall remain at all times a "Retained Balance" of one hundred thousand dollars **(**$100,000.00) in the Account for the benefit of Bank to pay amounts owed, if any, to Bank under Sections 7, 8, and 11.

16. No Precedent. Each of Company, Secured Party and Bank respectively acknowledges that this Agreement was reached based upon business considerations specific to the parties hereto and that Bank is under no obligation to agree to terms, similar to those in this Agreement, in any other deposit account control agreement.

The remainder of this page is intentionally left blank.

In Witness Whereof, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

Ultra Resources, Inc.
("Company")

By: _____
Name: Garland R. Shaw
Title: Senior Vice President and Chief Financial Officer

Address for notices:
400 N. Sam Houston Parkway E.
Suite 1200
Houston, TX
Tel: (281) 876-0120
Email: gshaw@ultrapetroleum.com
Fax: (281) 876-2831

Cortland Capital Market Services LLC,
("Secured Party")

By: _____
Name: _____
Title: _____

Address for notices:
225 W. Washington St., 21st Floor
Chicago, Illinois 60606
Attn: Legal Department
Email: legal@cortlandglobal.com
Fax: (312) 376-0751

Bank of America, N.A.
("Bank")

By: _____
Name: _____
Title: _____

Address for notices:
Bank of America, N.A.
2001 Clayton Road, Building B
Concord, CA 94520-2425
Attn: Blocked Account Support
Mail Code: CA4-702-02-37

Facsimile: 877.207.2524

In Witness Whereof, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

Ultra Resources, Inc.
("Company")

By: _____
Name: _____
Title: _____

Address for notices:
400 N. Sam Houston Parkway E.
Suite 1200
Houston, TX
Tel: (281) 876-0120
Email: gshaw@ultrapetroleum.com
Fax: (281) 876-2831

Cortland Capital Market Services LLC,
("Secured Party")

By: _____
Name: Emily Ergang Pappas
Title: Associate Counsel

Address for notices:
225 W. Washington St., 21st Floor
Chicago, Illinois 60606
Attn: Legal Department
Email: legal@cortlandglobal.com
Fax: (312) 376-0751

Bank of America, N.A.
("Bank")

By: _____
Name: _____
Title: _____

Address for notices:
Bank of America, N.A.
2001 Clayton Road, Building B
Concord, CA 94520-2425
Attn: Blocked Account Support
Mail Code: CA4-702-02-37

Facsimile: 877.207.2524

In Witness Whereof, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

Ultra Resources, Inc.
("Company")

By: _____
Name: _____
Title: _____

Address for notices:
400 N. Sam Houston Parkway E.
Suite 1200
Houston, TX
Tel: (281) 876-0120
Email: gshaw@ultrapetroleum.com
Fax: (281) 876-2831

Cortland Capital Markets Services LLC
("Secured Party")

By: _____
Name: _____
Title: _____

Address for notices:
225 W. Washington St., 21st Floor
Chicago, Illinois 60606
Attn: Legal Department
Email: legal@cortlandglobal.com
Fax: (312) 376-0751

Bank of America, N.A.
("Bank")

By: _____
Name: Clark F. Schaffner
Title: Vice President

Address for notices:
Bank of America, N.A.
2001 Clayton Road, Building B
Concord, CA 94520-2425
Attn: Blocked Account Support
Mail Code: CA4-702-02-37

Facsimile: 877.207.2524

DDA: 8529

EXHIBIT A
DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of Secured Party]

_____, 20__
To: Bank of America, N.A.
[Address]

Re: Ultra Resources, Inc.
Account No. [redacted]

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated April 13, 2017 (the "Agreement") among Ultra Resources, Inc., us and you regarding the above-described account (the "Account"). In accordance with Section 2 of the Agreement, we hereby instruct you to transfer funds to the below account as follows:

Bank Name: _____
Bank Address: _____
ABA No.: _____
Account Name: _____
Account No.: _____
Beneficiary's Name: _____

Very truly yours,

_____
as Secured Party

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

BANK OF AMERICA, N.A., as Bank

By
Name:
Title:
Date:

EXHIBIT B
DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of Secured Party]

_____, 20__
To: Bank of America, N.A.
[Address]

Re: Ultra Resources, Inc.
Account No. [redacted]

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated April 13, 2017 (the "Agreement") among Ultra Resources, Inc., us and you regarding the above-described account (the "Account"). In accordance with Section 2 of the Agreement, we hereby give you notice of our request to change the wire transfer instructions provided to Bank in the Agreement, and we hereby instruct you to transfer funds to the below account as follows:

Bank Name: _____
Bank Address: _____
ABA No.: _____
Account Name: _____
Account No.: _____
Beneficiary's Name: _____

Very truly yours,

_____
as Secured Party

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

BANK OF AMERICA, N.A., as Bank

By
Name:
Title:
Date:

EXHIBIT C
DEPOSIT ACCOUNT CONTROL AGREEMENT

Letterhead of Secured Party

_____, 20__
Bank of America, N.A.
_____
_____
Attn: _____

Re: **Termination of Deposit Account Control Agreement**

Account(s): _____

Ladies and Gentlemen:

Reference is made to that certain Deposit Account Control Agreement dated as of _____, 20_ (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Agreement") among you, _____ ("Company"), and us ("Secured Party"), a copy of which is attached hereto.

You are hereby notified that the Agreement is terminated with respect to the undersigned, and you have no further obligations to the undersigned thereunder and we are terminating our security interest in the Account. Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to the Account from Company.

This notice terminates any obligations you may have to the undersigned with respect to the Account.

Very truly yours,

_____
as Secured Party

By: _____
Name: _____
Title: _____

cc: [Company Name]

Exhibit 3

KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS

300 North LaSalle
Chicago, Illinois 60654

David R. Seligman, P.C.
To Call Writer Directly:
(312) 862-2463
david.seligman@kirkland.com

(312) 862-2000

www.kirkland.com

Facsimile:
(312) 862-2200

September 26, 2017

VIA ELECTRONIC MAIL

Cortland Capital Market Services LLC
225 W/ Washington St., 21st Floor
Chicago, IL 60606
Attn: Legal Department, Emily Pappas
Email: legal@cortlandglobal.com

Re: Ultra Resources, Inc. Pledge Agreement

Dear Emily:

My client, Ultra Resources, Inc. ("Ultra Resources"), was reorganized pursuant to a Plan and Confirmation Order entered on March 14, 2017.[1] The Plan and Confirmation Order define and limit the ability of Cortland Capital Market Services LLC (the "Administrative Agent") to release the $400,000,000 of cash[2] (the "Reserve Funds") that was placed with Bank of America, N.A. (the "Bank") following the Effective Date of the Plan.

As you may be aware, on September 21, 2017, the Bankruptcy Court issued a *Memorandum Opinion* [Docket No. 1569] (the "Opinion") and *Order Denying Ultra Resources' Claim Objection* [Docket No. 1570] (the "Claims Objection Order") denying Ultra Resources' objection to the Disputed Class 4 Claims. We understand that the OpCo Noteholder Group and/or OpCo Group are seeking to direct the Administrative Agent to direct the Bank to release the Reserve Funds based on the Opinion and Claims Objection Order. The distribution of the Reserve Funds at this time would violate both the Confirmation Order and Pledge Agreement. Therefore, any such request must be denied.

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1 *See Order Confirming the Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1324] (the "Confirmation Order"). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the *Debtors' Second Amended Joint Chapter 1 Plan of Reorganization* [Docket No. 1308] (the "Plan").

2 Exclusive of interest.

Absent the consent of the Reorganized Debtors, the OpCo Group, and the OpCo Noteholder Group, the Pledge Agreement only provides for the Administrative Agent to release the Reserve Funds "upon the ***upon the direction of the Bankruptcy Court*** and in accordance with the ***Allowance Order***." [3] Similarly, pursuant to the Confirmation Order, the Reserve Funds shall not be released "prior to the Bankruptcy Court's entry of an Order regarding the ***Allowance*** of the Disputed Class 4 Claims without the consent of the OpCo Group and the OpCo Noteholder Group."[4]

There are two independent reasons why the Reserve Funds cannot be released pursuant to the Confirmation Order, Plan, or Pledge Agreement at this time. ***First***, the Claims Objection Order did not direct the release of the Reserve Funds, which is a required condition for the release of such funds.[5] ***Second***, no Disputed Class 4 Claims have been "Allowed" as the term is defined in the Plan and Confirmation Order. In order for the Disputed Class 4 Claims to become "Allowed Claims" under the Plan and, relatedly, the Pledge Agreement, they must be Allowed by a Final Order of the Bankruptcy Court.[6] The Bankruptcy Court's Opinion and Claims Objection Order (i) is not a Final Order, because it is still subject to appeal, and the Debtors plan to appeal and (ii) did not actually "allow" any Disputed Class 4 Claims, but rather only denied the Debtors' objection to the OpCo Note Claims.[7] The actual amount of Disputed Class 4 Claims that the Bankruptcy Court's Claims Objection Order would allow (though not pursuant to a Final Order) is still uncertain. Therefore, the Reserve Funds must not be released at this time.

We reserve our rights to commence any actions for distribution of the Reserve Funds in violation of the Pledge Agreement, Confirmation Order, and Plan.

---

[3] Pledge Agreement, § 6.05(a) (emphasis added). "Allowance Order" is defined as "an order of the Bankruptcy Court determining the Allowance of the Disputed Class 4 Claims." Pledge Agreement, § 1.02. "Allowance" is not defined in the Pledge Agreement, but the Pledge Agreement provides that terms used therein but not defined have the meaning ascribed to such terms in the Plan. Pledge Agreement, § 1.03.

[4] Confirmation Order, para. 156 (emphasis added).

[5] Pledge Agreement, § 6.05(a).

[6] "Allowance" is not defined in the Pledge Agreement, but is defined in the Plan to mean, with respect to any Claim to which an objection has been timely filed, a Claim that has been allowed by a "Final Order" of the Bankruptcy Court. Plan, § 1.10. A "Final Order" is further defined in the Plan as an order "as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari 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 filed has been resolved by the highest court to which the order or judgment could be appealed . . . ." Plan, § 1.87.

[7] The Claims Objection Order did not directly address allowance of any Disputed OpCo RCF Claims.

Sincerely,

/s/ David R. Seligman, P.C.

David R. Seligman, P.C.

cc: Michael B. Slade, Esq., *counsel to the reorganized debtors*
Christopher T. Greco, Esq., *counsel to the reorganized debtors*
Michael A. Petrino, Esq., *counsel to the reorganized debtors*
Matthew C. Fagen, Esq., *counsel to the reorganized debtors*
Maya Grant, Esq., *counsel to the Administrative Agent*