



ENTERED  
11/23/2020

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

<b>In re:</b>	§	<b>Chapter 11</b>
<b>GAVILAN RESOURCES, LLC,</b>	§	<b>Case No. 20-32656 (MI)</b>
<b>Debtors.<sup>1</sup></b>	§	<b>(Jointly Administered)</b>
	§	<b>Re: Docket No. 435</b>

**ORDER (I) AUTHORIZING AND APPROVING BIG WELLS TRANSACTION, INCLUDING (A) SALE OF DEBTORS’ ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS AND (B) ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (II) APPROVING FORM AND MANNER OF NOTICES OF BIG WELLS TRANSACTION, AND (III) GRANTING RELATED RELIEF**

Upon the motion, dated November 13, 2020 [Docket No. 435] (the “**Motion**”),<sup>2</sup> of Gavilan Resources, LLC (“**Gavilan**”) and its debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to sections 105(a), 363, and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) seeking an order (i) authorizing and approving the Big Wells Transaction, including (a) sale of Debtors’ Big Wells Assets free and clear of all Liens, Claims, Encumbrances, and other interests, and (b) assumption and assignment of certain executory contracts and unexpired leases; (ii) approving form and manner of notices of the Big Wells Transaction; and (iii) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Gavilan Resources, LLC (6688); Gavilan Resources HoldCo, LLC (6425); Gavilan Resources Holdings, LLC (4496); and Gavilan Resources Management Services, LLC (3961). The Debtors’ mailing address is 920 Memorial City Way, Suite 1400, Houston, Texas 77024.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion, the Bid Procedures (as defined herein), or the APA (as defined herein), as applicable.

28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion, and Crimson Resources LLC (the “**Buyer**”) having been chosen as the Buyer of the Assets; and upon the Buyer and the Debtors having agreed to the terms of that certain Asset and Purchase Agreement (together with all ancillary documents, as may be amended, modified, or supplemented, the “**APA**”);<sup>3</sup> and this Court having reviewed the Bonebrake Declaration; and this Court having conducted a hearing on November 23, 2020 (the “**Sale Hearing**”) to consider the relief requested in the Motion as set forth in this order (the “**Sale Order**”); and all parties in interest having been heard or having had the opportunity to be heard regarding the Motion, the Big Wells Transaction (as defined in the Motion), APA, and all relief set forth herein; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled on the merits except as set forth herein; and upon the record of the Sale Hearing and all of the proceedings had before this Court; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interest of the Debtors and their respective estates and creditors; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

---

<sup>3</sup> A copy of the APA is attached hereto as **Exhibit 1**.

**IT IS HEREBY FOUND AND DETERMINED THAT:**

A. **Fed. R. Bankr. P. 7052.** The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. **Jurisdiction.** The Court has jurisdiction to hear and determine the Motion and to grant the relief requested in the Motion pursuant to 28 U.S.C. § 1334. Without limiting the generality of the foregoing, this Court has exclusive *in rem* jurisdiction over the Assets pursuant to 28 U.S.C. § 1334(e), as such Assets are property of the Debtors’ chapter 11 estates and, as a result of such jurisdiction, this Court has all necessary power and authority to grant the relief contained herein. This is a core proceeding within the meaning of 28 U.S.C. § 157(b) and, as such, this Court has the authority to enter a final order.

C. **Venue.** Venue of these chapter 11 cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

D. **Statutory Predicates.** The statutory and legal predicates for the relief requested in the Motion are sections 105, 363, and 365 of the Bankruptcy Code, and Rules 2002, 6004, 6006, 9007, and 9014 of the Bankruptcy Rules and the *Procedures for Complex Cases in the Southern District of Texas*.

E. **Notice and Opportunity to Object.** Notice of the Motion, the assumption and/or assignment of the Desired 365 Contracts, the APA, the Sale Hearing, and the deadlines related thereto, including any subsequent modifications (collectively, the “**Sale Motion Documents**”), was provided to all parties entitled to notice pursuant to Local Rule 9013-1(d)

(collectively, the “**Sale Notice Parties**”). The Debtors also posted the Sale Motion Documents on Epiq Corporate Restructuring LLC’s website (<https://dm.epiq11.com/case/gavilan/info>). Service of the Sale Motion Documents was appropriate and reasonably calculated to provide all Sale Notice Parties with good and sufficient notice of the Sale Transaction and the APA by and between the Debtors and the Buyer, and provided a reasonable opportunity to object, and no further notice need be provided.

F. Service of the Sale Motion Documents was provided to all parties in interest, including those with one or more alleged preferential purchase rights listed on Disclosure Schedule 3.17 of the APA, including the Tag-Along Right provided in the Maverick Basin Area Participation Agreement and the Tag-Along Right and Right of First Offer provided in the Joint Development Agreement (the “**Preferential Purchase Rights**”), and those with one or more rights based on any alleged approval or consent right or anti-assignment provision contained in an Applicable Contract, Lease, or other Purchased Contract (“**Consent Rights**”) with a reasonable and adequate opportunity to object, all as described more fully in sections 2.12–2.14 of the APA.

G. The Debtors filed the A&A Notice and posted it on the case website at (<https://dm.epiq11.com/case/gavilan/info>). Service of the A&A Notice on all counterparties to the Desired 365 Contracts was appropriate and good and sufficient notice of the proposed assumption and assignment of the Desired 365 Contracts, the applicable Cure Amounts (as defined in the Bid Procedures) related thereto, and the A&A Procedures, and no other or further notice is necessary. All counterparties to 365 Contracts that are Desired 365 Contracts have had an adequate opportunity to object to the assumption and assignment of such 365 Contracts and the Cure Amounts related thereto.

H. The notice described in the foregoing paragraphs is good, sufficient, and appropriate under the circumstances, and no other or further notice of the Motion, the A&A Procedures, the Bid Procedures, the Bid Procedures Order, the APA, the assumption and/or assignment to the Buyer of the Assets (including the Desired 365 Contracts, the Leases, and the Other Purchased Contracts), the Sale Hearing, the Sale Transaction, the Cure Amounts, the deadlines to submit an objection, and all other deadlines related thereto, is or shall be required.

I. **Assets Property of the Estate.** The Assets sought to be sold and assigned by the Debtors to the Buyer pursuant to the APA are property of the Debtors' estates and title thereto is vested in the Debtors' estates.

J. **Sufficiency of Marketing.** The Debtors and their professionals, (i) marketed the Assets and conducted the marketing and sale process as set forth in, and in accordance with, the Motion and the Bid Procedures and (ii) conducted a fair and open sale process.

K. **APA.** On November 11, 2020, the Debtors and the Buyer agreed to the terms of the APA, attached hereto as **Exhibit 1.**

L. **Corporate Authority.** Subject to and giving effect to the entry of this Order, the Debtors (i) have full corporate power and authority to execute the APA and all other documents contemplated thereby, (ii) have all of the power and authority necessary to consummate the Sale Transaction, and (iii) have taken all corporate action necessary to authorize and approve the APA and any actions required to be performed by the Debtors to consummate the Sale Transaction. No consents or approvals of the Debtors, other than those expressly provided for in the APA or this Sale Order, are required for the Debtors to consummate the Sale Transaction.

M. **Sound Business Purpose; Sale Highest or Best Offer.** Entry into the APA and consummation of the Sale Transaction constitutes the exercise by the Debtors of sound business judgment, and such acts are in the best interests of the Debtors, their estates, creditors, and all parties in interest. This Court finds that the Debtors have articulated good and sufficient business reasons justifying the sale of the Assets to the Buyer pursuant to the terms and conditions set forth in the APA.

N. **Arm's-Length Sale and Buyer's Good Faith.** The APA was negotiated and is undertaken by the Debtors and Buyer at arm's length, without collusion or fraud, and in good faith within the meaning of section 363(m) of the Bankruptcy Code. The Buyer (i) recognizes that the Debtors were free to deal with any other party interested in acquiring the Assets and (ii) willingly submitted its highest and best offer for the Assets. All payments to be made by the Buyer and other agreements or arrangements entered into by the Buyer in connection with the Sale Transaction have been disclosed and the Buyer has not violated section 363(n) of the Bankruptcy Code by any action or inaction. As a result of the foregoing, the Buyer is a "good faith purchaser" within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby, including in the event this Order or any portion thereof is reversed or modified on appeal, and the Buyer has proceeded in good faith in all respects in connection with the Sale Transaction specifically and these chapter 11 cases generally.

O. **No Fraudulent Transfer.** The total consideration provided by the Buyer pursuant to the APA constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, the Texas Uniform Fraudulent Transfer Act, Tex. Bus. & Com. Code Ann. § 24.004-006 (West 2019), and any other applicable law and may not be avoided under section 363(n) of the Bankruptcy Code or any other applicable law. The APA was not entered into, and

the Sale Transaction is not being consummated, for the purpose of hindering, delaying, or defrauding creditors of the Debtors under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia, or any other applicable law. Neither the Debtors nor the Buyer have entered into the APA or is consummating the Sale Transaction with any fraudulent or otherwise improper purpose.

P. **Free and Clear Transfer Required by Buyer.** If the Debtors did not sell the Assets free and clear of all claims, encumbrances, Liens or Liabilities, other than the Assumed Liabilities (as defined in Exhibit A to the APA) and Permitted Liens (as defined in Exhibit H to the APA), to the extent provided in the APA, such a sale would have yielded substantially lower value for the Debtors' estates, with less certainty than the Sale Transaction. The Buyer would not have entered into the APA and would not consummate the Sale Transaction, thus adversely affecting the Debtors, their estates, their creditors, and holders of their equity interests if the Sale Transaction and the assignment of the Assets, including the Purchased Contracts and Leases, to the Buyer were not free and clear of all claims, encumbrances, Liens or Liabilities of any kind or nature whatsoever, other than the Assumed Liabilities and Permitted Liens, to the extent provided in the APA.

Q. As of the Closing, pursuant and subject to the terms of the APA and this Sale Order, the Sale Transaction will effect a legal, valid, enforceable, and effective transfer of the Assets and will vest the Buyer with all of the Debtors' rights, title, and interests in the Assets free and clear of all claims, encumbrances, Liens or Liabilities of any kind or nature whatsoever, other than the Assumed Liabilities and Permitted Liens, to the extent provided in the APA, with such claims, encumbrances, Liens or Liabilities (other than Preferential Purchase Rights) attaching to the proceeds with the same nature, validity, priority, extent, perfection, force and effect that such

claims, encumbrances, Liens or Liabilities encumbered the Assets immediately prior to the entry of this Sale Order.

R. **Satisfaction of Section 363(f) Standards.** The Debtors are authorized to sell the Assets free and clear of all claims, encumbrances, Liens or Liabilities, other than Assumed Liabilities and Permitted Liens in accordance with the terms of the APA (with such claims, encumbrances, Liens or Liabilities (other than Preferential Purchase Rights) attaching to the proceeds with the same nature, validity, priority, extent, perfection, and force and effect that such claims, encumbrances, Liens or Liabilities encumbered the Assets immediately prior to the entry of this Sale Order) because, with respect to each creditor or other person or entity asserting a claim, encumbrance, Lien or Liability, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Each creditor or other person or entity asserting a claim, encumbrance, Lien or Liability in the Assets (i) has, subject to the terms and conditions of this Sale Order, consented to the Sale Transaction or is deemed to have consented to the Sale Transaction, (ii) could be compelled in a legal or equitable proceeding to accept money satisfaction of such claim, encumbrance, Lien or Liability, or (iii) otherwise falls within the provisions of section 363(f) of the Bankruptcy Code. Those holders of claims, encumbrances, Liens or Liabilities who did not object (or who ultimately withdrew their objections, if any) to the Sale Transaction or the Motion are deemed to have consented to the Motion and Sale Transaction pursuant to section 363(f)(2) of the Bankruptcy Code. Creditors or other persons or entities asserting a claim, encumbrance, Lien or Liability in or against the Assets could be compelled in a legal or equitable proceeding to accept money satisfaction of such claim, encumbrance, Lien or Liability. Those holders of claims, encumbrances, Liens or Liabilities who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code by having their



claims, encumbrances, Liens or Liabilities, if any, in each instance against the Debtors, their estates, or any of the Assets (other than Preferential Purchase Rights) attach to the proceeds of the Sale Transaction ultimately attributable to the Assets in which such holder alleges a claim, encumbrance, Lien or Liability, with the same nature, validity, priority, extent, perfection, and force and effect that such claims, encumbrances, Liens or Liabilities encumbered the Assets immediately prior to the entry of this Sale Order, subject to any claims and defenses the Debtors or their estates may possess with respect thereto.

S. **No Successor Liability.** Neither the Buyer nor any of its affiliates are successors to the Debtors or their estates by reason of any theory of law or equity, and neither the Buyer nor any of its affiliates shall assume, or in any way be responsible for, any liability or obligation of any of the Debtors and/or their estates, other than the Assumed Liabilities and Permitted Liens, to the extent provided in the APA; *provided* that nothing in this Order or the APA releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the post-sale owner or operator of property after the date of entry of this Order; authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law; or divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Order or to adjudicate any defense asserted under this Order.

T. **Assigned Contracts and Leases.** Each and every provision of the Assigned Contracts and Leases or applicable non-bankruptcy law that purports to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any

Assigned Contract or Lease has been satisfied or is otherwise unenforceable under section 365 of the Bankruptcy Code. All counterparties of the Assigned Contracts or Leases that did not timely file an objection to the assumption and/or assignment of the Assigned Contract(s) or Lease(s) to which they are a counterparty are deemed to consent to the assumption and/or assignment by the Debtors of their Assigned Contract or Lease to the Buyer, and the Buyer shall enjoy all of the rights and benefits under each such Assigned Contract or Lease as of the applicable date of assumption and assignment without the necessity of obtaining such non-debtor party's written consent to the assumption or assignment thereof. Upon the assignment and sale to the Buyer in accordance with the terms of the APA, the Assigned Contracts and Leases shall be deemed valid and binding, in full force and effect in accordance with their terms, subject to the provisions of this Sale Order, and shall be assigned and transferred to the Buyer, notwithstanding any provision in the Assigned Contracts or Leases prohibiting or otherwise restricting assignment or transfer, and the Debtors, their estates, or any of their predecessors, successors, or assigns, shall have no further liability or obligation under the Assigned Contracts or Leases other than as to any Excluded Liabilities thereunder. The Debtors have demonstrated that it is an exercise of their sound business judgment to assume and/or assign the Assigned Contracts and Leases to the Buyer in connection with the consummation of the Sale Transaction, and the assumption and/or assignment of the Assigned Contracts and Leases is in the best interests of the Debtors, their estates, their creditors, and other parties in interest. The Assigned Contracts and Leases being assigned to the Buyer are an integral part of the Sale Transaction and, accordingly, their assumption and/or assignment is reasonable and an enhancement to the value of the Debtors' estates.

U. **Cure/Adequate Assurance**. Pursuant to the APA, the Cure Costs (other than Excess Cure Costs), if any, will be paid by the Buyer in accordance with the terms of the

APA. The Buyer has demonstrated adequate assurance of future performance of each Desired 365 Contract listed on the 365 Schedule that is an Assigned Contract within the meaning of section 365 of the Bankruptcy Code, by the Buyer or any of its permitted assignees to which such Desired 365 Contract is assumed and assigned by the Debtors, including a commitment of performance with respect to the Desired 365 Contracts from and after the Closing. Notwithstanding the Cure Cost identified as being zero, for the Assigned Contract with SN EF Maverick, LLC (collectively, the “**Big Wells JOA**”), and notwithstanding anything to the contrary in this or any other Order, as part of the adequate assurance for assumption and assignment of such Big Wells JOA, all obligations attributable to Gavilan arising under any such Big Wells JOA in the ordinary course of business (including without limitation obligations arising from audits, balance of payments, true-ups, joint-interest billings, or other adjustments or reconciliations of the respective interests of the contract counterparties, collectively the “**Ordinary Course Obligations**”) arising on or after April 1, 2020, shall be honored in the ordinary course of business and paid by Buyer in accordance with the terms of the Big Wells JOA. For the avoidance of doubt, all of the Buyer’s (as successor to the Debtors) rights to dispute any asserted Ordinary Course Obligations, or any other asserted obligations under the Big Wells JOA are fully reserved and preserved in accordance with the terms of the Big Wells JOA and applicable law.

V. **Assets Assignable.** Each and every provision of the documents governing the Assets or applicable non-bankruptcy law that purports to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any of the Assets, if any, have been, or will be, satisfied or are otherwise unenforceable under section 365 of the Bankruptcy Code in respect of the assignment pursuant to the Sale Transaction.

W. **Final Order.** Time is of the essence in consummating the Sale Transaction. In order to maximize the value of the Debtors' Assets, it is essential that the sale and assignment of the Debtors' Assets occur within the time constraints set forth in the APA and the Bid Procedures Order. This Sale Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Buyer, being a good faith purchaser under section 363(m) of the Bankruptcy Code, may close the transactions contemplated by the APA at any time subject to the terms and conditions of the APA.

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:**

1. **Objections Overruled.** All objections, if any, with regard to the relief sought in the Motion that have not been withdrawn, waived, settled, or otherwise resolved as expressly provided herein or on the record at the Sale Hearing are hereby overruled on the merits, with prejudice. All objections to the entry of this Sale Order or to the relief granted herein that were not timely filed are hereby forever barred.

2. **Approval.** Pursuant to sections 105, 363, and 365 of the Bankruptcy Code, the APA, the other Transaction Documents, the sale, assignment, conveyance and deliverance by the Debtors of all of the Debtors' right, title, and interest in and to the Assets to the Buyer as of the Closing are hereby approved, and the Debtors are authorized and directed to consummate the Sale Transaction, including the sale, assignment, conveyance and deliverance of all of the Debtors' right, title, and interest in, to, and under the Assets to the Buyer free and clear of any and all claims, encumbrances, Liens or Liabilities (other than the Assumed Liabilities and Permitted Liens) in accordance with the terms of and subject to the satisfaction or waiver of the conditions to the Debtors' obligations to consummate the Sale Transaction set forth in the APA, with such claims, encumbrances, Liens or Liabilities (other than Preferential Purchase Rights) attaching to the

proceeds with the same nature, validity, priority, extent, perfection, and force and effect that such claims, encumbrances, Liens or Liabilities encumbered the Assets immediately prior to the entry of this Sale Order. Pursuant to sections 105, 363, and 365 of the Bankruptcy Code, the Debtors and the Buyer are each hereby authorized and directed to take any and all actions necessary or appropriate to (i) consummate the Sale Transaction, (ii) enter into the Transaction Documents, (iii) assume and/or assign the Assigned Contracts, including the Desired 365 Contracts (as defined in the APA) listed on the 365 Schedule, all other Applicable Contracts (as defined in the APA) that are not 365 Contracts, and Leases, (iv) perform the obligations of the Debtors under the APA, the other Transaction Documents, and any and all additional instruments and documents that may be contemplated by or reasonably necessary or desirable to implement the APA and consummate, implement, and close fully the Sale Transaction and the other transactions contemplated thereby prior to or after the Closing without further order of this Court, and (v) enforce the terms of this Sale Order. The Buyer and the Debtors shall have no obligation to consummate the Sale Transaction except as is contemplated by and provided for in the APA. The Buyer shall not be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the APA or any other Transaction Document. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the provisions of this Sale Order.

3. **Binding Effect of Sale Order.** This Sale Order and the APA shall be binding in all respects upon the Debtors, their estates, all creditors of, and holders of equity interests in, the Debtors, any holders of claims, encumbrances, Liens or Liabilities in, against, or on all or any portion of the Assets (whether known or unknown), the Buyer and respective successors and permitted assigns of the Buyer, notwithstanding the dismissal of any of the Debtors'

cases or any subsequent appointment of any trustees, examiners, “responsible persons,” or other fiduciaries in these chapter 11 cases or upon a conversion to a case under chapter 7 of the Bankruptcy Code, and the APA shall not be subject to rejection or avoidance under any circumstances. If any order under section 1112 of the Bankruptcy Code is entered and/or a Liquidating Trust is formed in these chapter 11 cases, such order shall provide, or be deemed to provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that all rights and obligations of the Debtors under this Sale Order and the APA shall accrue to, and be for the benefit of, and shall be exercisable by, the Liquidating Trust, as provided by any order of the Bankruptcy Court, and the Liquidating Trustee shall be entitled to exercise all of the rights of the Debtors under the APA.

4. The APA, this Sale Order, and the Debtors’ obligations therein and herein shall not be altered, impaired, amended, rejected, discharged, or otherwise affected by any chapter 11 plan proposed or confirmed in these bankruptcy cases, any order confirming any chapter 11 plan, or any subsequent order of this Court without the prior written consent of the Buyer, to the extent of any conflict between this Sale Order or the APA and such future plan or order, the terms of this Sale Order and the APA shall control.

5. **No Material Modifications.** The APA and any related agreements, documents, or other instruments in effect as of the date hereof may be modified, amended, or supplemented through a written document signed by the parties thereto in accordance with the terms thereof without further order of this Court; *provided, however*, that any such modification, amendment, or supplement does not have a material adverse effect on the Debtors or their estates.

6. **Transfer of Assets Free and Clear.** The Buyer shall assume and be liable for only the Assumed Liabilities and Permitted Liens pursuant to the terms of the APA. For purposes of this Sale Order, “Lien,” and “Liability” shall mean:

- (i) with respect to any property or asset, any mortgage, lien, interest pledge, charge, security interest, encumbrance, deed of trust, production payment, option, collateral assignment, mechanics’ lien, materialman’s lien, statutory lien or right, and other consensual or non-consensual lien, whenever granted and including, without limitation, those charges or interests in property within the meaning of “lien” under section 101(37) of the Bankruptcy Code (each, a “**Lien**” and collectively, “**Liens**”);
- (ii) any claims, causes of action, payments, charges, judgments, assessments, losses, monetary damages, penalties, fines, fees, interest obligations, indebtedness, obligation, commitment, expense, loss, claim, deficiency, debts or guaranty of or by any Person of any types, whether known or unknown, and whether accrued, absolute, contingent, matured or unmatured (each a “**Liability**” and collectively, “**Liabilities**”);

in each case, whether in law or in equity, known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, direct or indirect, and whether arising by agreement, understanding, law, equity or otherwise, and whether occurring or arising before, on or after the Petition Date, or occurring or arising prior to the Closing. Any and all claims, encumbrances, Liens and Liabilities (other than the Assumed Liabilities, Permitted Liens, and Preferential Purchase Rights) shall attach to the proceeds with the same nature, validity, priority, extent, perfection, and force and effect that such claims, encumbrances, Liens or Liabilities encumbered the Assets immediately prior to the entry of this Sale Order, subject to any claims, defenses, and objections, if any, that the Debtors or their estates may possess with respect thereto.

7. **Provisions Related to SN EF UnSub, LP.** Notwithstanding anything in this Sale Order or the APA to the contrary:

- (i) The currently pending litigation in respect of the agreements governing the 2017 Comanche transaction (which include the JDA) (the “**Comanche Agreements**”) in *GSO ST Holdings LP v. Sanchez Energy Corp. (In re Sanchez Energy Corp.)*, Adv. Pro. No. 20-03197 (MI) (Bankr. S.D. Tex.) and in *In re Sanchez Energy Corp.*, No. 19-34508 (MI) (Bankr. S.D. Tex.) (such litigation, the “**Existing Litigation**”) may continue.
- (ii) The entry of this Sale Order shall not limit or curtail the Court’s ability to fashion relief in the Existing Litigation.
- (iii) The rights of the parties to the Existing Litigation set forth in paragraph 26 of the *Order (A) Approving Sale of Debtors’ Assets, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 361] shall be preserved (or denied) in all respects consistent with the record.
- (iv) Nothing in this Sale Order or the APA amends or otherwise alters the *Order Approving Disclosure Statement and Confirming Second Amended Joint Chapter 11 Plan of Reorganization of Sanchez Energy Corporation and its Debtor Affiliates*, Docket No. 1212 in the Sanchez chapter 11 cases, or otherwise determines the rights of any parties under such Order.
- (v) Any determination made by a final, non-appealable order in the Existing Litigation as to (A) whether the JDA or the Development Agreement is a covenant running with the land or an equitable servitude, or (B) whether any of the Comanche Agreements are integrated, shall, in the case of clauses (A) and (B), have the same force and effect as if such orders were entered in these chapter 11 cases.

8. **Provision Related to the Oxy Parties**. Notwithstanding anything set forth in the Sale Order or APA, the Oxy Parties’ (defined below) claims, rights, objections, arguments, and/or defenses in the adversary proceeding captioned *Occidental Petroleum Corp. et al. v. Sanchez Energy Corp.*, Adv. Case No. 20-3198 (Bankr. S.D. Tex. June 22, 2020) or in the related rejection objection pending in *In re Sanchez Energy Corp.*, Case No. 19-34508 (Bankr. S.D. Tex. Aug. 11, 2019) shall not be impaired or otherwise affected by this Sale Order, the APA, or the Oxy Parties’ agreement not to object to the Sale Transaction, *provided* that the Buyer shall not assume any liability to the Oxy Parties in connection with the referenced matters. The “**Oxy Parties**” shall consist of the following: Occidental Petroleum Corporation, Anadarko Petroleum Corporation,



Anadarko E&P Onshore LLC, Anadarko Energy Services Company, and Kerr-McGee Oil & Gas Onshore LP.

9. **Provision Related to the WES Parties.** Notwithstanding anything set forth in the Sale Order or APA, the WES Parties' (defined below) claims, rights, objections, arguments, and/or defenses in (i) the adversary proceeding captioned *Occidental Petroleum Corp. et al. v. Sanchez Energy Corp.*, Adv. Case No. 20-3198 (Bankr. S.D. Tex. June 22, 2020) or in the related rejection objection pending in *In re Sanchez Energy Corp.*, Case No. 19-34508 (Bankr. S.D. Tex. Aug. 11, 2019) or (ii) any adversary proceeding or contested matter relating to the WES Dispute, as such term is defined in paragraph 28 in the *Order (A) Approving Sale of Debtors' Assets, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 361], shall not be impaired or otherwise affected by this Sale Order, the APA, or the WES Parties' agreement not to object to the Sale Transaction, *provided* that the Buyer shall not assume any liability to the WES Parties in connection with the referenced matters. The "**WES Parties**" include Western Midstream Partners LP, WGR Operating, LP and Springfield Pipeline, LLC.

10. **No Bulk Sales.** No bulk sales laws or any similar law of any state or other jurisdiction shall apply in any way to the Sale Transaction, the Motion, and this Sale Order.

11. **Valid Transfer.** Effective upon the Closing, the transfer to the Buyer of the Debtors' right, title, and interest in the Assets pursuant to the APA shall be, and hereby is deemed to be, a legal, valid, and effective transfer of the Debtors' right, title, and interest in the Assets, and vests with, or will vest in, the Buyer all right, title, and interest of the Debtors in the Assets, free and clear of all claims, encumbrances, Liens or Liabilities (other than the Assumed Liabilities and Permitted Liens).

12. **Transfer of Title**. Upon the Closing, this Sale Order shall be construed and shall constitute, for any and all purposes, a full and complete general assignment, conveyance, and transfer of all of the Debtors' right, title, and interest in the Assets pursuant to the terms of the APA, free and clear of all claims, encumbrances, Liens or Liabilities (other than the Assumed Liabilities and Permitted Liens) with such claims, encumbrances, Liens or Liabilities (other than Preferential Purchase Rights) attaching to the proceeds with the same nature, validity, priority, extent, perfection, force and effect that such claims, encumbrances, Liens or Liabilities encumbered the Assets immediately prior to the entry of this Sale Order; *provided, however*, that pursuant to Section 2.15(b) of the APA, except as and to the extent expressly set forth in the APA or referenced in Section 2.15 of the APA, the Debtors expressly disclaim any representation or warranty, express, statutory or implied, as to title to any of the Assets.

13. **Governmental Authorization to Effectuate Sale and Assignments**. Each and every federal, state, and governmental agency or department, and any other person or entity, is hereby authorized to accept any and all documents and instruments in connection with or necessary to consummate the Sale Transaction. Except as otherwise provided in this Sale Order, to the greatest extent available under applicable law upon the Closing, the Buyer shall be authorized, as of the Closing Date, to operate under any license, permit, registration, and governmental authorization or approval of the Debtors with respect to the Assets, and all such licenses, permits, registrations, and governmental authorizations and approvals are deemed to have been, and hereby are, deemed to be transferred to the Buyer as of the Closing. No governmental unit may revoke or suspend any lawful right, license, trademark, or other permission relating to the use of the Assets sold, transferred, or conveyed to the Buyer on account of the filing or pendency of these chapter 11 cases or the consummation of the Sale Transaction. For the

avoidance of doubt, the Sale Transaction authorized herein shall be of full force and effect, regardless of whether the Debtors or any of their affiliates lack good standing in any jurisdiction in which such entity is formed or is authorized to transact business.

14. **Authorization to Assign.** Notwithstanding any provision of any contract governing the Assets, including any Assigned Contract or Lease to be assumed and/or assigned to the Buyer as of the Closing, pursuant to section 365(f) of the Bankruptcy Code or applicable non-bankruptcy law that prohibits, restricts, or conditions the assignment of the Assets, including any Assigned Contract or Lease, at or after the Closing, the Debtors are authorized to (i) assign the Assets to the Buyer and (ii) assume and/or assign the Assigned Contracts and Leases to the Buyer as of the Closing, in each case, which assignments shall take place on and be effective as of the Closing or such other date after the Closing Date, in each case, as provided in the APA or as otherwise provided by a separate order of this Court.

- (i) There shall be no accelerations, assignment fees, increases, or any other fees charged to the Buyer or the Debtors as a result of the assignment of the Assets or the assumption and/or assignment of the Assigned Contracts and Leases.
- (ii) The Debtors have met all of the requirements of section 365(b) of the Bankruptcy Code for each of the Assigned Contracts that are 365 Contracts to be assumed and assigned to the Buyer as of Closing. Notwithstanding the foregoing, unless required by the Buyer under the APA for the Debtors to assume and/or assign any Assigned Contract or Lease, no Debtor shall be required by the Court to assume and/or assign any Assigned Contract or Lease, and, if no such assumption and assignment occurs, no Cure Costs shall be due and no adequate assurance of future performance shall be required with respect to any such Assigned Contract or Lease.
- (iii) In respect of the assignment pursuant to the Sale Transaction, any provisions in any of the Assigned Contracts and Leases that prohibit or condition the assignment of such Assigned Contract and Lease on the consent of a non-Debtor counterparty to such Assigned Contract or Lease thereto or allow the non-Debtor counterparty to such Assigned Contract and Lease to terminate, recapture, impose any penalty, condition, renewal or extension, or modify any term or condition upon the assignment of such Assigned Contract and Lease, shall constitute unenforceable anti-

assignment provisions which are expressly preempted under section 365 of the Bankruptcy Code and be void and of no force or effect.

- (iv) The Debtors' assumption and/or assignment of the Assigned Contracts and Leases is subject to the consummation of the Sale Transaction with the Buyer. To the extent that an objection by a counterparty to any Assigned Contract related to the applicable Cure Cost, is not resolved prior to the Closing, the Buyer may, without any further approval of the Court or notice to any party, elect to (a) not have the Debtors assume and/or assign such Assigned Contract to it, or (b) have the Debtors postpone the assumption and/or assignment of such Assigned Contract until the resolution of such objection; *provided, however*, that the Debtors, the Buyer, and the relevant non-debtor counterparty under each Assigned Contract that is a 365 Contract shall have authority to compromise, settle, or otherwise resolve any objections to proposed Cure Costs without further order of, or notice to, this Court, with any such agreed upon Cure Costs being paid to the appropriate counterparty by the Debtors as a condition subsequent to such assumption and/or assignment of the relevant Assigned Contract.

15. **Assigned Contracts and Leases.** Subject to the provisions of this Sale Order and in accordance with the APA, the Debtors are authorized to assign, pursuant to the APA, all Assigned Contracts, Leases and other Assets, including Assets constituting real property interests (including all fee surface interests in land, surface leases, easements, rights of way, servitudes, licenses, franchises, road, railroad, and other surface use permits or agreements) free and clear of all claims, encumbrances, Liens or Liabilities (other than any (i) Assumed Liabilities and (ii) Permitted Liens other than Consent Rights and Preferential Purchase Rights as applicable to the Transaction). As of the Closing, the Buyer shall succeed to the entirety of the Debtors' rights and obligations in the Assigned Contracts and Leases, including any 365 Contracts to be assumed and assigned to the Buyer, first arising and attributable to the time period occurring on or after the Effective Time (as defined in the APA) and shall have all rights thereunder.

- (i) Upon Closing, (a) all defaults (monetary and non-monetary) under the Assigned Contracts that are 365 Contracts shall be deemed cured and satisfied in full through the payment of the Cure Costs, (b) no other amounts will be owed by the Debtors, their estates, or, other than the Assumed Liabilities, the Buyer with respect to amounts first arising or accruing, during, or attributable or related to, the period before Closing with respect

to such Assigned Contracts, and (c) any and all persons or entities shall be forever barred and estopped from asserting a claim against the Debtors, their estates, the Buyer, or the Assets that any additional amounts are due or defaults exist under such Assigned Contracts that arose or accrued, or relate to or are attributable to the period before the Effective Time (other than claims against Buyer with respect to the Assumed Liabilities, claims arising from Ordinary Course Obligations, and rights attributable to Gavilan for Ordinary Course Obligations).

- (ii) Upon assumption of those Assigned Contracts and Leases to be assumed by the Debtors and/or assigned to the Buyer as of the Closing, such Assigned Contracts and Leases shall be deemed valid and binding, in full force and effect in accordance with their terms, subject to the provisions of this Sale Order, and shall be assigned and transferred to the Buyer, notwithstanding any provision in such Assigned Contract or Lease or other restrictions prohibiting assignment or transfer. To the extent any Assigned Contract or Lease is assumed and/or assigned to the Buyer under this Sale Order, such assumption and/or assignment will not take effect until the Closing. Furthermore, other than the Assigned Contracts and Leases, no other contract shall be deemed assumed by the Debtors and/or assigned to the Buyer pursuant to section 365 of the Bankruptcy Code. The failure of the Debtors or the Buyer to enforce at any time one or more terms or conditions of any Assigned Contract or Lease shall not be a waiver of such terms or conditions, or of the Debtors' and the Buyer's rights to enforce every term and condition of such Assigned Contract or Lease.
- (iii) All counterparties to the 365 Contracts to be assumed and assigned to Buyer as of the Closing shall cooperate and expeditiously execute and deliver, upon the reasonable request of the Buyer, and shall not charge the Debtors or the Buyer for, any instruments, applications, consents, or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Sale Transaction.

Notwithstanding the foregoing, the Debtors may, at the Buyer's direction, amend the list of 365 Contracts to be assumed and assigned to Buyer under the APA to add or remove any 365 Contract to or from such list prior to the Closing of the Sale Transaction in accordance with the terms of the APA.

16. **Exclusion of Audit Rights.** Notwithstanding anything in the Sale Motion and this Sale Order to the contrary, any sale or transfer of oil and gas leases, or assumption and

assignment of executory contracts, shall be subject to the ongoing audit rights contained in such leases and contracts.

17. **No Successor Liability.** Neither the Buyer nor any of its affiliates are or shall be deemed, as a result of the consummation of the Sale Transaction, to (i) be legal successors to the Debtors or their estates by reason of any theory of law or equity, (ii) have, de facto or otherwise, merged with or into the Debtors, or (iii) be an alter ego or a mere continuation or substantial continuation or successor of the Debtors in any respect. Neither the Buyer nor any of its affiliates shall assume or in any way be responsible for any liability or obligation of any of the Debtors or their estates, other than the Assumed Liabilities and Permitted Liens, to the extent provided in the APA; provided that nothing in this Order or the APA releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the post-sale owner or operator of property after the date of entry of this Order; authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law; or divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Order or to adjudicate any defense asserted under this Order.

18. **Release of Interests.** Effective upon the Closing, this Sale Order (i) is and shall be effective as a determination that all claims, encumbrances, Liens or Liabilities (other than Assumed Liabilities and Permitted Liens) of any kind or nature whatsoever existing as to the Assets prior to the Closing have been unconditionally released, discharged, and terminated (with such claims, encumbrances, Liens or Liabilities attaching to the proceeds with the same nature, validity, priority, extent, perfection, force and effect that such claims, encumbrances, Liens

or Liabilities encumbered the Assets immediately prior to the entry of this Sale Order) and that the conveyances described herein have been effected, (ii) is and shall be binding upon and shall govern the acts of all entities, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies or units, governmental departments or units, secretaries of state, federal, state and local officials and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Assets conveyed to the Buyer, and all recorded claims, encumbrances, Liens or Liabilities (other than the Assumed Liabilities and Permitted Liens) against the Assets shall be deemed stricken from such entities records, official and otherwise.

19. **Approval to Release Interests.** If any person or entity that has filed financing statements, mortgages, mechanic's liens, or other documents or agreements evidencing claims, encumbrances, Liens or Liabilities against or on the Assets shall not have delivered to the Debtors before the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all claims, encumbrances, Liens or Liabilities (other than Assumed Liabilities and Permitted Liens) that the person or entity has or may assert with respect to the Assets, the Debtors and the Buyer are hereby authorized to execute and file such statements, instruments, releases, and other documents on behalf of such person or entity with respect to the Assets. The Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all claims, encumbrances, Liens or

Liabilities against the Assets (other than the Assumed Liabilities and Permitted Liens). This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department, or office.

20. **Surrender of Possession.** Any and all Assets in the possession or control of any person or entity, including any vendor, supplier, or employee of the Debtors shall be transferred to the Buyer free and clear of all claims, encumbrances, Liens or Liabilities, except for the Assumed Liabilities and Permitted Liens, with such claims, encumbrances, Liens or Liabilities attaching to the proceeds with the same nature, validity, priority, extent, perfection, and force and effect that such claims, encumbrances, Liens or Liabilities encumbered the Assets immediately prior to the entry of this Sale Order, and shall be delivered to the Buyer and deemed delivered at the time of Closing (or such other time as provided in the APA).

21. **Exculpation.** Because the entry into the APA and the other Transaction Documents, and the consummation of the Sale Transaction constitute the exercise by the Debtors of sound business judgment, the Debtors, their respective current and former members, managers, officers, directors, employees, advisors, professionals or agents, shall neither have, nor incur, any liability to the estates or any holder of a claim against or interest in the Debtors for any act or omission in connection with, related to, or arising out of the negotiations of the APA or the consummation of the Sale Transaction contemplated thereunder, other than liability of the Debtors arising out of or relating to any act or omission that constitutes a breach of the APA, gross negligence, or willful misconduct, in each case as determined by a court of competent jurisdiction pursuant to a final order.

22. **Governmental Liabilities:** Nothing in this Sale Order or the APA releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability to a



governmental unit that any entity would be subject to as the post-sale owner or operator of property after the date of entry of this Sale Order. Nothing in this Sale Order or the APA authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law. Nothing in this Sale Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Sale Order or to adjudicate any defense asserted under this Sale Order.

23. **Prohibition of Actions Against Buyer.** Except for the Assumed Liabilities and Permitted Liens, or as expressly permitted or otherwise specifically provided for in the APA or this Sale Order, the Buyer and its affiliates shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Assets or otherwise. Without limiting the generality of the foregoing, and except as otherwise expressly provided herein and in the APA, the Buyer and its affiliates shall not be liable for any claims against the Debtors or any of their predecessors or affiliates, and the Buyer and its affiliates shall have no successor or vicarious liabilities of any kind or character including, without limitation, any theory of antitrust, warranty, product liability, environmental, successor or transferee liability, labor law, ERISA, *de facto* merger, mere continuation, or substantial continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors, including, without limitation, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the Debtors' business prior to the Closing or any claims under the WARN Act or any claims related to wages, benefits, severance or vacation pay owed to employees or former

employees of the Debtors. Effective upon the Closing, with the sole exception of any enforcement of rights related to the Assumed Liabilities, all persons and entities shall be, and hereby are, forever barred and estopped from (i) taking any action that would adversely affect or interfere with the ability of the Debtors to transfer the Assets to the Buyer in accordance with the terms of this Sale Order and the APA and (ii) asserting, prosecuting, or otherwise pursuing, whether in law or in equity, in any judicial, administrative, arbitral or other proceeding, any claims, encumbrances, Liens or Liabilities of any kind or nature whatsoever against the Buyer and its successors, designees, assigns, or property, or the Assets conveyed under this Sale Order in accordance with the APA. Without limiting the foregoing, each person or entity who holds or is the beneficiary of a Preferential Purchase Right or Consent Right will be (i) forever barred from objecting to the transfer, sale, assumption, and/or assignment of the Debtors' right, title, and interest in, to and under the Assets to be sold, assumed, and/or assigned in connection with the Sale Transaction, free and clear of all liens, claims, interests, and encumbrances, including Consent Rights and Preferential Purchase Rights (other than Assumed Liabilities and Permitted Liens), and from asserting any alleged Preferential Purchase Rights with respect to the Sale Transaction, and (ii) deemed to consent to and approve the transfer, sale, and assumption and/or assignment of the Debtors' right, title, and interest in, to and under such Assets free and clear of all liens, claims, interests, and encumbrances, including Consent Rights and Preferential Purchase Rights (other than Assumed Liabilities and Permitted Liens).

24. **No Interference.** Following the Closing, no holder of a claim, encumbrance, Lien or Liability in or against the Debtors or the Assets shall interfere with the Buyer's title to or use and enjoyment of the Assets based on or related to such claim, encumbrance, Lien or Liability.

25. **Retention of Jurisdiction.** This Court retains exclusive jurisdiction prior to, on, and after Closing to, among other things, interpret, enforce and implement the terms and provisions of this Sale Order and the APA, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including retaining jurisdiction to (i) compel delivery of the Assets or performance of other obligations owed to the Buyer, (ii) compel performance of obligations owed to the Debtors, (iii) resolve any disputes arising under or related to the APA or the Sale Transaction, (iv) interpret, implement, and enforce the provisions of this Sale Order, (v) compel delivery of any waivers, releases, or other related documentation reasonably requested by the Debtors or the Buyer to evidence the release of any claims, encumbrances, Liens or Liabilities in the Assets, (vi) protect the Buyer and its affiliates against (a) any claims, encumbrances, Liens or Liabilities in or against the Debtors or the Assets of any kind or nature whatsoever and (b) any creditors, equity interest holders, or other parties in interest regarding the turnover of the Assets that may be in their possession, and (vii) protect the Debtors and their affiliates against any liabilities (other than any liabilities retained by the Debtors under the APA) in any way relating to the Assets arising on or after the Closing Date other than to the Buyer pursuant to the APA.

26. **Immediate Effect.** Notwithstanding the provisions set forth in Rule 60004(h) of the Bankruptcy Rules, this Sale Order shall be immediately effective and enforceable and its provisions shall be self-executing. The Debtors and the Buyer are free to close the Sale Transaction under the APA at any time in accordance with the terms of the APA.

27. **Good Faith Purchaser.** The Sale Transaction contemplated by the APA is undertaken by the Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and the Buyer has acted without collusion in undertaking the Sale Transaction contemplated

by the APA. Accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale Transaction shall not affect the validity of the sale of the Assets to the Buyer (including the assumption and assignment by the Debtors of any of the 365 Contracts), unless such authorization is duly stayed pending such appeal. The Buyer is a buyer in good faith of the Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

28. There has been no showing that the Debtors or the Buyer engaged in any action or inaction that would cause or permit the Sale Transaction and underlying transactions to be avoided or costs or damages to be imposed under section 363(n) of the Bankruptcy Code.

29. **Excluded Assets Held in Trust.** The assets sold pursuant to this Sale Order and the terms of the APA shall not include unclaimed property held in trust by the Seller, as defined pursuant to Texas state unclaimed property laws, including Texas Property Code, Title 6, Chapter 72-76, and other applicable Texas laws.

30. **Inconsistencies with Prior Orders, Pleadings, or Agreements.** To the extent of any conflict between the APA and this Sale Order, the terms of the Sale Order shall govern. To the extent this Sale Order is inconsistent or conflicts with any prior order or pleading in these chapter 11 cases, the terms of this Sale Order shall govern and any prior orders shall be deemed amended or otherwise modified to the extent required to permit consummation of the Sale Transaction.

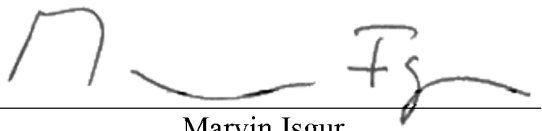
31. **Subsequent Orders and Plan Provisions.** Unless otherwise agreed to by the Debtors and the Buyer, this Sale Order shall not be modified by any chapter 11 plan confirmed in these chapter 11 cases or any subsequent order(s) of this Court.

32. **Failure to Specify Provisions.** The failure to specifically reference any particular provisions of the APA or other related documents in this Sale Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the APA and other related documents be authorized and approved in their entirety.

33. **Satisfaction of Conditions Precedent.** Neither the Buyer nor the Debtors shall have an obligation to close the Sale Transaction until all conditions precedent in the APA to each of their respective obligations to close the Sale Transaction have been satisfied or waived in accordance with the terms of the APA.

34. **Provisions Non-Severable.** The provisions of this Sale Order are non-severable and mutually dependent.

Signed: November 23, 2020

  
\_\_\_\_\_  
Marvin Isgur  
United States Bankruptcy Judge

**Exhibit 1**

**APA**

**ASSET PURCHASE AGREEMENT**

**dated as of**

**November 11, 2020**

**by and between**

**GAVILAN RESOURCES, LLC and**

**GAVILAN RESOURCES MANAGEMENT SERVICES, LLC,**

**as Sellers**

**and**

**CRIMSON RESOURCES LLC,**

**as Buyer**

**TABLE OF CONTENTS**

	<b>Page</b>
ARTICLE I DEFINITIONS .....	1
Section 1.01 <i>Definitions</i> .....	1
ARTICLE II PURCHASE AND SALE .....	1
Section 2.01 <i>Purchase and Sale of the Assets</i> .....	1
Section 2.02 <i>Excluded Assets</i> .....	3
Section 2.03 <i>Consideration</i> .....	5
Section 2.04 <i>Adjustments to the Purchase Price</i> .....	5
Section 2.05 <i>Closing</i> .....	9
Section 2.06 <i>Final Settlement Statement</i> .....	10
Section 2.07 <i>Post-Closing Payments</i> .....	12
Section 2.08 <i>No Duplicative Effect; Methodologies</i> .....	13
Section 2.09 <i>Purchase Price Deposit</i> .....	13
Section 2.10 <i>Division of Hydrocarbons</i> .....	14
Section 2.11 <i>Division of Revenues and Expenses; Burdens</i> .....	14
Section 2.12 <i>Preferential Purchase Rights</i> .....	15
Section 2.13 <i>Consents to Assign</i> .....	16
Section 2.14 <i>Consents for Purchased Contracts</i> .....	17
Section 2.15 <i>Assets Sold “As Is, Where Is”</i> .....	18
Section 2.16 <i>Presence of Wastes, NORM, Hazardous Substances and Asbestos</i> .....	19
ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS.....	19
Section 3.01 <i>Organization</i> .....	19
Section 3.02 <i>Authority and Authorization</i> .....	19
Section 3.03 <i>Enforceability</i> .....	19
Section 3.04 <i>Conflicts</i> .....	20
Section 3.05 <i>Material Contracts</i> .....	20
Section 3.06 <i>Approvals</i> .....	22
Section 3.07 <i>Environmental Matters</i> .....	22
Section 3.08 <i>Well Status</i> .....	22
Section 3.09 <i>Imbalances</i> .....	22



Section 3.10	<i>Litigation</i> .....	22
Section 3.11	<i>Hedging</i> .....	22
Section 3.12	<i>Intellectual Property</i> .....	23
Section 3.13	<i>Insurance Coverage</i> .....	23
Section 3.14	<i>Taxes</i> .....	23
Section 3.15	<i>Letters of Credit</i> .....	24
Section 3.16	<i>Outstanding Obligations</i> .....	24
Section 3.17	<i>Preferential Purchase Rights</i> .....	24
Section 3.18	<i>Broker</i> .....	24
Section 3.19	<i>Burdens</i> .....	24
Section 3.20	<i>No Violation of Laws</i> .....	24
Section 3.21	<i>Leases</i> .....	24
Section 3.22	<i>[Reserved]</i> .....	24
Section 3.23	<i>Suspense Funds</i> .....	25
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER.....		25
Section 4.01	<i>Organization</i> .....	25
Section 4.02	<i>Authorization and Authority</i> .....	25
Section 4.03	<i>Enforceability</i> .....	25
Section 4.04	<i>Conflicts</i> .....	25
Section 4.05	<i>Broker</i> .....	26
Section 4.06	<i>Financial Ability</i> .....	26
Section 4.07	<i>Approvals</i> .....	26
Section 4.08	<i>Litigation</i> .....	26
Section 4.09	<i>Bankruptcy</i> .....	26
Section 4.10	<i>Investor Status; Investigation</i> .....	26
Section 4.11	<i>Qualification</i> .....	27
Section 4.12	<i>No Other Representations</i> .....	27
ARTICLE V COVENANTS OF SELLERS.....		28
Section 5.01	<i>Operating Covenants</i> .....	28
Section 5.02	<i>Operatorship</i> .....	29
Section 5.03	<i>Assumption and Rejection of Executory Contracts and Leases</i> .....	30
Section 5.04	<i>Access/Environmental Assessment</i> .....	32

ARTICLE VI COVENANTS OF BUYER.....34

    Section 6.01    *[Reserved]* .....34

    Section 6.02    *Data Retention* .....34

ARTICLE VII COVENANTS OF BUYER AND SELLERS.....34

    Section 7.01    *Commercially Reasonable Efforts; Further Assurances* .....34

    Section 7.02    *Bankruptcy Proceedings* .....34

    Section 7.03    *Public Announcements* .....36

    Section 7.04    *Confidentiality*.....37

    Section 7.05    *Audits and Other Tax Proceedings* .....37

    Section 7.06    *[Reserved]* .....38

    Section 7.07    *Tax Matters; Apportionment of Tax Liability* .....38

    Section 7.08    *Supplemental Disclosures* .....39

    Section 7.09    *Replacement of Existing Letters of Credit* .....40

ARTICLE VIII CONDITIONS TO CLOSING.....40

    Section 8.01    *Conditions to Obligations of Buyer and Sellers* .....40

    Section 8.02    *Conditions to Obligation of Buyer* .....40

    Section 8.03    *Conditions to Obligation of Sellers*.....41

ARTICLE IX TERMINATION.....41

    Section 9.01    *Grounds for Termination* .....41

    Section 9.02    *Effect of Termination* .....43

ARTICLE X CASUALTY LOSS.....45

    Section 10.01    *Casualty Loss* .....45

ARTICLE XI RESERVED.....45

ARTICLE XII RESERVED .....45

ARTICLE XIII SURVIVAL AND INDEMNIFICATION.....45

    Section 13.01    *Survival; Limited Recourse Against Sellers*.....45

    Section 13.02    *[Reserved]* .....46

    Section 13.03    *[Reserved]* .....46

    Section 13.04    *[Reserved]* .....46

    Section 13.05    *[Reserved]* .....47

    Section 13.06    *Sole and Exclusive Remedy*.....47

ARTICLE XIV MISCELLANEOUS .....47

    Section 14.01    *Notices*.....47

Section 14.02	<i>Amendments and Waivers</i> .....	48
Section 14.03	<i>Expenses</i> .....	48
Section 14.04	<i>Successors and Assigns/Liquidating Trust</i> .....	48
Section 14.05	<i>Governing Law</i> .....	49
Section 14.06	<i>Jurisdiction</i> .....	49
Section 14.07	<i>Waiver of Jury Trial</i> .....	49
Section 14.08	<i>Counterparts; Effectiveness; Third Party Beneficiaries</i> .....	49
Section 14.09	<i>Entire Agreement</i> .....	50
Section 14.10	<i>Severability</i> .....	50
Section 14.11	<i>Specific Performance</i> .....	50
Section 14.12	<i>Certain Acknowledgements and Limitations</i> .....	50
Section 14.13	<i>Disclosure Schedules</i> .....	51
Section 14.14	<i>Preparation of Agreement</i> .....	51

## EXHIBITS, ANNEXES, SCHEDULES AND DISCLOSURE SCHEDULES

### Exhibits

Exhibit A	Definitions
Exhibit B	Form of Assignment and Bill of Sale
Exhibit C	Form of Assumption Agreement
Exhibit D	Form of Seller Certificate
Exhibit E-1	Form of Seller FIRPTA Certificate – Resources
Exhibit E-2	Form of Seller FIRPTA Certificate – ManagementCo
Exhibit F	Form of Buyer Certificate
Exhibit G	Form of Post-Closing Escrow Agreement
Exhibit H	Special Warranty

### Annexes

Annex A	Oil and Gas Leases
Annex B	Wells
Annex C	Purchased Contracts
Annex D	Permits
Annex E	PUD Locations

### Schedules

Schedule 1.01	Allocated Values
Schedule 2.02(k)	Excluded Contracts and Other Assets
Schedule 5.03(a)	365 Schedule
Schedule 5.03(b)	Desired 365 Contracts

### Disclosure Schedules

Disclosure Schedule 3.05(a)	Material Contracts
Disclosure Schedule 3.05(b)	Material Contract Defaults
Disclosure Schedule 3.06	Approvals
Disclosure Schedule 3.07	Environmental Matters
Disclosure Schedule 3.08	Well Status
Disclosure Schedule 3.09	Imbalances
Disclosure Schedule 3.10	Litigation
Disclosure Schedule 3.12	Intellectual Property
Disclosure Schedule 3.13	Insurance Coverage
Disclosure Schedule 3.14	Taxes
Disclosure Schedule 3.16	Outstanding Obligations
Disclosure Schedule 3.17	Preferential Purchase Rights
Disclosure Schedule 3.19	Burdens
Disclosure Schedule 3.20	No Violation of Laws
Disclosure Schedule 3.21	Leases
Disclosure Schedule 3.23	Suspense Funds

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “Agreement”) dated as of November 11, 2020 (the “Execution Date”), is entered into by and between Crimson Resources LLC, a Delaware limited liability company (“Buyer”), and Gavilan Resources, LLC, a Delaware limited liability company (“Resources”), and Gavilan Resources Management Services, LLC, a Delaware limited liability company (“ManagementCo” and, together with Resources, each a “Seller” and, collectively, “Sellers”). Buyer and Sellers are sometimes referred to collectively herein as the “Parties” and individually as a “Party.”

### WITNESSETH:

**WHEREAS**, on May 15, 2020, each Seller filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court (collectively, the “Bankruptcy Cases”);

**WHEREAS**, on June 9, 2020, the Bankruptcy Court entered the Bid Procedures Order (which has been further modified as described in the definition thereof);

**WHEREAS**, pursuant to section 363 of the Bankruptcy Code and upon the terms and conditions set forth herein, effective as of the Effective Time, Sellers desire to sell, transfer and assign to Buyer, and Buyer desires to purchase and acquire from Sellers, the Assets, and, in connection therewith, the Parties desire for Buyer to assume the Assumed Liabilities; and

**WHEREAS**, Sellers’ ability and obligation to consummate the Transactions are subject to, among other things, the entry of the Sale Order.

**NOW, THEREFORE**, in consideration of the mutual promises, representations and warranties made herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

### ARTICLE I DEFINITIONS

Section 1.01 *Definitions*. The capitalized terms used but not defined herein and defined in Exhibit A shall have the meanings set forth in Exhibit A hereto, which is incorporated herein by reference.

### ARTICLE II PURCHASE AND SALE

Section 2.01 *Purchase and Sale of the Assets*. Subject to the terms and conditions and for the consideration herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sellers agree to sell, assign, convey and deliver to Buyer, and Buyer agrees to purchase and acquire from Sellers at the Closing, to the extent permitted under sections 363 and 365 of the Bankruptcy Code after giving effect to the Bid Procedures Order and the Sale Order, all of Sellers’ right, title and interest in and to the properties and interests described below, other than the Excluded Assets (collectively, the “Assets”):

(a) Oil and Gas Properties. All Oil and Gas Interests (whether the interest of Sellers in such properties is fee interests, leasehold interests, licenses, concessions, working interests, farmout rights, royalty, overriding royalty or other non-working or carried interests, operating rights or other mineral rights of every nature and any rights that arise by operation of law or otherwise in all properties and lands pooled, unitized, communitized or consolidated with such properties) in, to or arising under (i) the Oil and Gas Leases described on Annex A (the “Leases”), (ii) the lands covered by the Leases or otherwise described on Annex A and lands included in any units with which the Leases or the lands covered thereby or otherwise described on Annex A may have been pooled, unitized or communitized and (iii) the oil, gas and other minerals in and under or that may be produced from the lands covered by the Leases or otherwise described on Annex A, whether such lands be described on a description set forth on Annex A or described on Annex A by reference to another instrument and whether Sellers’ interest therein is correctly or incorrectly described on Annex A or such referenced instrument (collectively, the “Oil and Gas Properties”; the term Oil and Gas Properties shall be deemed to include all Conveyed Wells);

(b) Wells. All Wells located on the Oil and Gas Properties, including the Wells and related interests described on Annex B hereto (the “Conveyed Wells”);

(c) Equipment. All equipment, gathering systems, pipelines, flow lines, water lines, machinery, fixtures, physical assets and facilities, inventory, improvements, and other personal, mixed, or movable property or interests whether located on or off the lands covered by the Leases, used primarily in connection with the ownership of the Oil and Gas Properties (except for any such personal property leased from Third Parties);

(d) Hydrocarbons. All Hydrocarbons (i) produced from or allocated to the Oil and Gas Properties that are in storage or existing at the Effective Time in stock tanks, pipelines and/or plants (including inventory) and not past a sales measuring point at the Effective Time (“Effective Time Hydrocarbons”) and (ii) produced from the Oil and Gas Properties on or after the Effective Time and all proceeds attributable thereto (“Buyer Hydrocarbons”);

(e) Surface Rights. To the extent assignable by Sellers to Buyer (*provided* that Sellers shall use commercially reasonable efforts prior to Closing to obtain any necessary consent to assignment, but shall not be required to pay any fees or other amounts to Third Parties in connection with obtaining any such consents), all fee surface interests in land, surface leases, easements, rights of way, servitudes, licenses, franchises, road, railroad, and other surface use permits or agreements, as the same may exist, and similar rights and interests (if any) with respect to the lands covered by the Leases or otherwise described in clause (a) above;

(f) Information and Data. To the extent, and only to the extent, in the possession of Sellers and related to the Oil and Gas Properties, all (i) abstracts, title opinions, title reports, title policies, lease and land files, plats, surveys, analyses, run sheets, mineral ownership reports, compilations, correspondence, filings with and reports to regulatory agencies, other documents and instruments, (ii) all geophysical, geological, engineering, seismic, exploration, production and other technical data, magnetic field recordings, digital processing tapes, field prints, summaries, reports and maps, whether written or in electronically reproducible form which is transferable without payment of any fee to a Third Party (or for which Buyer has agreed in

writing to pay such Third Party fee), (iii) environmental, regulatory, Non-Income Tax and accounting records; (iv) contract files, (v) other books, records and files containing financial, title or other information (such materials, excluding the Excluded Records, the “Data”); *provided, however,* that (1) Buyer’s right with respect to Data pursuant to clause (ii) shall be limited to the extent the assignment and disclosure of, or rights granted hereunder with respect to, such Data are not restricted by the terms of any confidentiality, license or similar agreement (*provided* that Sellers shall use commercially reasonable efforts prior to the Closing to obtain any consent to such assignment and disclosure to the extent such restrictions exist or to permit Buyer to execute a joinder agreement with respect thereto, *provided* Sellers shall not be required to pay any fees or other amounts to Third Parties in connection with obtaining any such consents), (2) rights to receive access to and copies of such Data from Third Parties shall accrue to Buyer only to the same extent as such rights are vested in Sellers, and (3) Sellers shall be permitted to keep copies of the Data;

(g) Contracts. All Assigned Contracts and any and all amendments, ratifications or extensions of the foregoing (collectively, together with the Leases, the “Purchased Contracts”);

(h) Permits. To the extent assignable by Sellers to Buyer, all Permits described on Annex D hereto (*provided* that Seller will use commercially reasonable efforts prior to Closing to obtain any necessary consent to assignment, without any obligation to incur any out-of-pocket cost or expense);

(i) Payment Rights. (i) All accounts receivable attributable to the Oil and Gas Properties with respect to any period of time on or after the Effective Time, (ii) instruments and general intangibles (as such terms are defined in the Uniform Commercial Code of the applicable jurisdictions in which the Oil and Gas Properties to which such assets relate are located) and economic benefits attributable to the Oil and Gas Properties with respect to any period of time on or after the Effective Time, (iii) claims of indemnity, contribution, or reimbursement relating to the Assumed Liabilities and (iv) Imbalances receivables;

(j) Claims. All rights, claims, causes, causes of action, remedies, defenses rights of set-off, rights of recoupment, rights of Sellers under any policy or agreement of insurance and rights to payment or to enforce payment and credits of any Seller to the extent relating to the Assets (other than the Excluded Assets) or any Assumed Liability with respect to any period of time on or after the Effective Time; and

(k) Intangible Rights. All intangible rights, inchoate rights, transferable rights under warranties made by prior owners, manufacturers, vendors, and Third Parties, and rights accruing under applicable statutes of limitation or prescription to the extent related or attributable to the Assets described in clauses (a) through (j) above on or after the Effective Time.

Section 2.02 Excluded Assets. Notwithstanding the foregoing provisions of this Article II, any assets of Sellers that are not described or otherwise identified as Assets in Section 2.01, together with all of the following assets, shall not constitute Assets and shall not be sold, assigned or conveyed to Buyer pursuant to this Agreement (such assets as described herein below, the “Excluded Assets”):

- (a) all cash and cash equivalents of Sellers;
- (b) all Excluded Records;
- (c) all Contracts of insurance or indemnity, subject to Section 10.01;
- (d) all Hydrocarbons produced and sold from and attributable to the Oil and Gas Properties prior to the Effective Time (collectively, the “Seller Hydrocarbons”) and all proceeds attributable to Seller Hydrocarbons;
- (e) all rights, claims, demands and causes of action of Sellers under this Agreement;
- (f) all rights, claims (including any claim as defined in section 101 of the Bankruptcy Code), causes, causes of action, remedies, defenses rights of set-off, rights of recoupment, and rights to payment or to enforce payment and credits of any Seller except to the extent relating to the Assets with respect to any period of time on or after the Effective Time or any Assumed Liability;
- (g) any refund of costs, Taxes or expenses borne by Sellers attributable to periods, or portions thereof, prior to the Effective Time or that are otherwise apportioned to Sellers under Section 7.07, in each case that are received prior to the Final Settlement Date;
- (h) any prepayments or good faith or other deposits submitted by any Third Party under the terms of the Bid Procedures Order;
- (i) any of Sellers’ rights, claims and causes of action under the Bankruptcy Code and any Avoidance Actions under the Bankruptcy Code in which Sellers have or will have rights;
- (j) the name “Gavilan” and all variations and derivations thereof and any trademark, trade name, logo or symbol containing such names;
- (k) all Contracts and other assets listed on Schedule 2.02(k);
- (l) any executory contracts or unexpired leases that are not Desired 365 Contracts;
- (m) all Existing Letters of Credit and cash deposits and proceeds of such Existing Letters of Credit;
- (n) all equipment, Permits and Data to the extent related to Excluded Assets or Excluded Liabilities;
- (o) all office equipment, computers, software, hardware and related Intellectual Property of Sellers;



(p) all assets excluded pursuant to the express terms of this Agreement, including Section 2.12(d), Section 2.13, or Section 5.03;

(q) except to the extent related to any Assumed Liability, all audit rights arising under any of the Applicable Contracts or otherwise with respect to (i) any period prior to the Effective Time, with respect to the Assets or (ii) any of the Excluded Assets;

(r) all engagements and similar letters and agreements with Sellers' legal advisors (other than title opinions, environmental reports or evaluations, and any documents and instruments that relate to or cover any Assumed Liability), it being agreed that Buyer shall have no right to claim, own or waive any attorney-client or similar privilege in favor of Sellers or any of their Affiliates with respect to the ownership or operation of the Assets; and

(s) any assets or properties otherwise expressly identified as Excluded Assets under this Agreement.

**Section 2.03 Consideration.** As consideration for the Assets, Buyer shall pay or deliver to Sellers in accordance with this Agreement, \$500,000 in cash (the "Purchase Price") and assume all Assumed Liabilities in accordance with this Agreement. The Purchase Price shall be paid as provided in Section 2.05 and shall be subject to adjustment as provided in Section 2.04, Section 2.06, Section 2.12, Section 2.13 and Section 7.07. The Purchase Price, as increased or reduced, as applicable, in accordance with this Agreement, is referred to as the "Adjusted Purchase Price".

**Section 2.04 Adjustments to the Purchase Price.** Adjustments to the Purchase Price shall be made according to this Section 2.04, as applied in accordance with GAAP (as applied on a basis consistent for the periods covered).

(a) Upward Adjustments. The Purchase Price shall be adjusted upward by the following, but only to the extent such items relate to the Assets:

(i) an amount equal to all non-reimbursed Property Expenses attributable to the Assets paid or borne (whether prepaid or otherwise) by Sellers (or applied by a Person against Property Expenses owed to such Person as an offset against amounts due and payable to Sellers), whether paid by (or applied as an offset against amounts due and payable to) Sellers prior to the Closing Date or after the Closing Date but prior to the determination of the Adjusted Purchase Price, to the extent attributable to the period on or after the Effective Time; *provided, however*, that to the extent that any Property Expenses or other cost or expense would be deemed to be an upward adjustment pursuant to this Section 2.04(a)(i) but such expenses have not been paid by Sellers (or applied by a Person against Property Expenses owed to such Person as an offset against amounts due and payable to Sellers), no upward adjustment to the Purchase Price shall be made but instead the obligation to perform and pay when due with respect to such Property Expense shall be an Assumed Liability;

(ii) [Reserved];

(iii) to the extent the proceeds thereof are not received by Sellers as of the Closing Date, an amount equal to the value of Sellers' share of the Effective Time Hydrocarbons, to be calculated as follows: the value shall be the product of (A) the volume of marketable Effective Time Hydrocarbons (attributable to Sellers' interest) as of the Effective Time as shown by the gauging reports prepared by Sellers as of the Effective Time (absent any manifest errors), multiplied by (B) the price that would have been received by Sellers with respect to such Effective Time Hydrocarbons if such Effective Time Hydrocarbons were sold at the Effective Time pursuant to the contract price in effect as of the Effective Time, or, if there is no contract price in effect, the posted price in the field in which such Hydrocarbons were produced or if no such posted price exists for such Hydrocarbons, the market price in the field in which such Hydrocarbons were produced, in each case, in effect as of the Effective Time (net of Non-Income Taxes and Burdens paid out of such proceeds or otherwise borne by Buyer and not taken into account for purposes of Section 2.04(b)(v));

(iv) an amount equal to any Imbalance Adjustment Amount owed to Sellers by a Third Party;

(v) the amount of Non-Income Taxes allocated to Buyer pursuant to Section 7.07 but paid or borne by Sellers or any of their Affiliates; and

(vi) the amount of Cure Costs, if any, by which the Purchase Price is to be increased pursuant to Section 5.03.

(b) Downward Adjustments. The Purchase Price shall be adjusted downward by the following, but only to the extent such items relate to the Assets:

(i) an amount equal to all non-reimbursed Property Expenses attributable to the Assets paid or borne by Buyer (or applied by a Person against Property Expenses owed to such Person as an offset against amounts due and payable to Buyer), whether paid by (or applied as an offset against amounts due and payable to) Buyer prior to the Closing Date or after the Closing Date but prior to the determination of the Adjusted Purchase Price, to the extent attributable to the period before the Effective Time; *provided, however,* that to the extent that any Property Expenses or other cost or expense would be deemed to be a downward adjustment pursuant to this Section 2.04(b)(i) but such expenses have not been paid by Buyer (or applied by a Person against Property Expenses owed to such Person as an offset against amounts due and payable to Buyer), no downward adjustment to the Purchase Price shall be made but instead the obligation to perform and pay when due with respect to such Property Expense shall be retained by Seller and shall be an Excluded Liability;

(ii) an amount equal to all proceeds received by Sellers attributable to the sale of Hydrocarbons produced from or allocable to the Oil and Gas Properties (excluding any Excluded Assets) during the Interim Period, net of (A) amounts paid or borne by Sellers as Burdens on such production, (B) expenses (other than Property Expenses) incurred by Sellers in earning or receiving such proceeds and any fees payable or incurred in connection therewith not reimbursed to Sellers by a Third Party purchaser

and (C) applicable Non-Income Taxes paid or borne by Sellers and not reimbursed to Sellers by a Third Party and not taken into account for purposes of Section 2.04(a)(v);

(iii) the Allocated Value of any Oil and Gas Property excluded pursuant to Section 2.12(d) or Section 2.13;

(iv) [Reserved];

(v) an amount equal to the absolute value of any Imbalance Adjustment Amount owed by Sellers to a Third Party;

(vi) the proceeds received by Sellers upon the sale of any Oil and Gas Property as provided in Section 2.12;

(vii) the amount of Non-Income Taxes allocated to Sellers or any of their Affiliates pursuant to Section 7.07 but paid or borne by Buyers following the Closing;

(viii) the amount of the Suspense Funds (*provided* that either (A) a corresponding increase to the Purchase Price is made for Property Expenses attributable to periods from and after the Effective Time that are payable by Sellers under the operating agreements under which such Suspense Funds are payable or (B) Buyer has paid or economically borne the Property Expenses described in clause (A), including by application of netting, setoff or similar recoveries against proceeds (including Hydrocarbon proceeds) that are due and payable to Buyer pursuant to this Agreement, by payment of Cure Costs or otherwise); and

(ix) without duplication for any amounts for which an adjustment is made pursuant to Section 2.04(b)(i), the amount of any Excess Cure Costs, if any, for which Seller is to retain and be responsible pursuant to Section 5.03, to the extent paid or otherwise borne by Buyer.

(c) Tax Adjustments/Appportionment of Prepaid Expense Items.

(i) To adjust the Purchase Price for the apportionment of Non-Income Taxes and Tax refunds, the Parties agree to adjust the Purchase Price, downward or upward, as appropriate, pursuant to the provisions of Section 7.07.

(ii) For purposes of the Purchase Price, to the extent not otherwise expressly provided for under the definition of "Property Expenses," Section 2.04(a) and Section 2.04(b), those other items of expenses and accounts payable in relation to the Oil and Gas Properties that are paid or payable on an annual, quarterly, monthly or other regular periodic basis and relate to a period before or after the Effective Time ("Prorated Expense Items") shall be prorated as of the Effective Time and apportioned, such that Buyer will receive the economic benefit or burden, as applicable, of all such items on and after the Effective Time and Sellers shall receive the economic benefit or burden, as applicable, of all such items for the period prior to the Effective Time. After the Closing Date, (x) until the date that is ninety (90) days following the Closing Date, if Buyer receives any bills or accounts or any reimbursement for prepaid expenses in relation to Prorated

Expense Items that are attributable in whole to the period prior to the Effective Time, then Buyer shall promptly forward the same to Sellers (for payment, in the case of any such bills or accounts), (y) if Sellers receive any bills or accounts or any reimbursement for prepaid expenses in relation to the Prorated Expense Items that are attributable in whole to the period on or after the Effective Time, then Sellers shall promptly forward the same to Buyer (for payment, in the case of any such bills or accounts) and (z) if Buyer or Sellers receive any bills or accounts or any reimbursements for prepaid expenses in relation to the Prorated Expense Items that are attributable in part to the period prior to the Effective Time, and in part to the period on and after the Effective Time, the amount thereof shall be apportioned between Sellers, on the one hand, and Buyer, on the other hand, respectively, as of the Effective Time, based on the number of days in such period falling prior to the Effective Time, on the one hand, and on and after the Effective Time, on the other hand. In the case of bills or accounts referred to in clause (z), the party receiving the same shall be required to pay only such portion of such bill or account for which it is responsible in accordance with this Section 2.04(c)(ii).

(d) Closing Statement.

(i) Sellers shall prepare in good faith and deliver to Buyer, not less than five (5) Business Days before the Closing Date, a statement (the “Closing Statement”) setting forth the adjustments to the Purchase Price provided in this Section 2.04, using estimates where actual amounts are not known at such time, and Sellers’ good faith calculation of the adjustments used to calculate the estimated Adjusted Purchase Price; such estimated Adjusted Purchase Price (as such may be modified pursuant to any changes proposed by Buyer and accepted by Sellers) shall be referred to as the “Closing Date Adjusted Purchase Price.” The Closing Statement shall be prepared in accordance with this Agreement, including Section 2.08. If Buyer has any questions or disagreements regarding the Closing Statement, then, upon written request by Buyer, at least two (2) Business Days prior to the Closing Date, Sellers and Buyer shall in good faith attempt to resolve any disagreements, and Sellers shall afford Buyer the opportunity to examine the Closing Statement and such supporting schedules, analyses and workpapers on which the Closing Statement is based or from which the Closing Statement is derived as are reasonably requested by Buyer. If (A) Buyer and Sellers agree on changes to the Closing Statement based on such discussions, then the Closing Date Adjusted Purchase Price shall be paid at Closing based on such changes; or (B) Buyer and Sellers do not agree on changes to the Closing Statement, then the Closing Date Adjusted Purchase Price shall be paid at the Closing based on the amounts set forth in the Closing Statement; *provided, however*, that in either of clauses (A) or (B), appropriate adjustments to the Purchase Price shall be made after the Closing pursuant to Section 2.06.

(ii) Sellers will include in the Closing Statement Sellers’ good faith calculation of the prorations provided for in Section 2.04(c). If final bills or accounts in relation to any Prorated Expense Items referred to in Section 2.04(c) are not available or have not been issued prior to that date for any Prorated Expense Item, Sellers shall estimate the amount of each such item in good faith and in accordance with customary industry practices, and such estimate shall be reflected in the Closing Statement. The amount payable by Buyer at the Closing will be increased or decreased to reflect the net amount

owing between the Parties as shown on the Closing Statement, using such estimates where necessary. Final adjustment between the Parties as to any item used in the preparation of the Closing Statement in accordance with this Section 2.04 shall be made in accordance with Section 2.06 and Section 7.07.

(e) If, prior to Closing, Sellers discover an error in the Imbalances set forth in Disclosure Schedule 3.09, then the Purchase Price shall be adjusted at Closing pursuant to Section 2.04(b)(v), as applicable, and Disclosure Schedule 3.09 will be deemed amended immediately prior to Closing to reflect the Imbalances for which the Purchase Price is so adjusted.

Section 2.05 Closing. The closing of the purchase and sale of the Assets, the assumption by Buyer of the Assumed Liabilities and the other transactions contemplated herein (the “Closing”) shall take place either (i) at the offices of Weil, Gotshal & Manges LLP, 700 Louisiana, Suite 1700, Houston, Texas 77002 or (ii) remotely via electronic exchange of documents and signatures on November 30, 2020 (the “Scheduled Closing Date”); *provided* that, if the conditions to Closing in Article VIII, have not yet been satisfied or waived by such applicable date, then the Closing shall occur two (2) Business Days, after satisfaction or waiver by the requisite Parties of the conditions to Closing set forth in Article VIII (other than those conditions that by their nature cannot be satisfied until the time of Closing, but subject to the satisfaction or waiver by the requisite Parties of those conditions), or at such other time or place as Buyer and Sellers may agree in writing. At and as of the Closing:

(a) Pursuant to section 363 of the Bankruptcy Code, effective as of the Closing, Sellers shall sell, assign and convey all Assets (other than Excluded Assets) to Buyer;

(b) Buyer shall assume, and from and after the Closing, shall perform and pay when due, all Assumed Liabilities.

(c) Sellers shall deliver to Buyer the following instruments, each dated as of the Closing Date, properly executed by an authorized officer or representative of each Seller and, where appropriate, acknowledged:

(i) sufficient executed counterparts to an Assignment and Bill of Sale in the form of Exhibit B (the “Assignment and Bill of Sale”) to facilitate filing with the applicable Governmental Authority;

(ii) executed counterparts to letters in lieu of division orders or other appropriate designation of assignment, on forms prepared by Buyer and reasonably acceptable to Sellers, directing all operators of the Oil and Gas Properties and/or purchasers of production to make payment to Buyer of proceeds attributable to production from the Oil and Gas Properties from and after the Effective Time, for delivery by Buyer to such operators and/or purchasers of production (collectively, the “Letters in Lieu”);

(iii) executed counterparts to an Assumption Agreement between Sellers and Buyer in the form of Exhibit C (the “Assumption Agreement”);

(iv) executed counterparts to the Post-Closing Escrow Agreement;

- (v) a certificate in the form of Exhibit D; and
  - (vi) a certificate in the form of Exhibit E-1 (with respect to Resources) and Exhibit E-2 (with respect to ManagementCo).
- (d) At the Closing, Buyer shall deliver to Sellers executed counterparts of the following instruments each dated as of the Closing Date, properly executed by an authorized officer or representative of Buyer and, where appropriate, acknowledged:
- (i) a certificate in the form of Exhibit F;
  - (ii) the Assignment and Bill of Sale;
  - (iii) the Assumption Agreement;
  - (iv) the Post-Closing Escrow Agreement; and
  - (v) the Letters in Lieu.
- (e) Buyer shall deliver an amount equal to the Closing Date Adjusted Purchase Price less the amount of the Deposit Escrow Funds, by wire transfer of immediately available funds, to one or more accounts designated by Sellers in writing.

Section 2.06 *Final Settlement Statement.*

(a) As soon as practical and, in any event, no later than ninety (90) calendar days after the Closing Date (the "Final Settlement Date"), Buyer shall prepare and deliver to Resources a statement (the "Final Settlement Statement") setting forth its good faith calculations of the adjustments to the Purchase Price in accordance with Section 2.04. The Final Settlement Statement shall be prepared in accordance with this Agreement and on a basis consistent with the preparation of the Closing Statement as described in Section 2.04(d), and shall set forth actual revenues and expenses and, taking into account all final adjustments made to the Purchase Price, Buyer's good faith calculation of the Adjusted Purchase Price. The Final Settlement Statement shall set forth the actual proration of the amounts required by this Agreement. Buyer shall supply reasonable documentation in the possession of Buyer's or any of its Affiliates to support the items for which adjustments are proposed or made.

(b) Following the delivery of the Final Settlement Statement, Buyer shall afford Resources the opportunity to examine the Final Settlement Statement and Buyer's calculation of the Adjusted Purchase Price, and such supporting schedules and analyses as are reasonably necessary and appropriate in connection with such review. Buyer shall cooperate with Resources in such examination, including promptly responding to questions asked by Resources, and Buyer shall make available to Resources any records under Buyer's control that are requested by Resources in connection with such review.

(c) If, within fifteen (15) calendar days following delivery of the Final Settlement Statement to Resources, Resources has not delivered to Buyer written notice (the "Objection Notice") of Resources' objections to the Final Settlement Statement or Buyer's

calculation of the Adjusted Purchase Price (which Objection Notice in order to be valid must contain a statement describing in reasonable detail the items objected to, the basis of such objections and Resources' calculation of the amount(s) for the items objected to that Resources asserts should be used for purposes of the Final Settlement Statement), then the Adjusted Purchase Price as set forth in such Final Settlement Statement shall be deemed final and conclusive. In addition, any of Buyer's calculations of the Adjusted Purchase Price as set forth in the Final Settlement Statement which are not objected to in the Objection Notice shall be deemed final and conclusive.

(d) If Resources delivers the Objection Notice satisfying Section 2.06(c) above, within such fifteen (15)-day period, then Resources and Buyer shall endeavor in good faith to resolve the objections of Resources set forth in the Objection Notice for a period not to exceed fifteen (15) calendar days from the date of delivery of the Objection Notice. If the Parties reach resolution of Resources' objections, then the Final Settlement Statement, as adjusted for any such resolution, shall be final and binding upon the Parties. If at the end of such fifteen (15)-day period there are any objections that remain in dispute, then either Buyer or Resources may, by written notice to the other within three (3) days of the expiration of such fifteen (15)-day period, require that the remaining objections in dispute be submitted for resolution to an independent accounting firm to be selected jointly by Buyer and Resources within the ten (10) calendar days following a written request by Buyer or Resources or, if Buyer and Resources are unable to mutually agree within such ten (10)-day period, such accounting firm shall be the Houston, Texas office of PricewaterhouseCoopers (such jointly selected accounting firm or PricewaterhouseCoopers, the "Referee"). The Referee's engagement shall be limited to the resolution of disputed amounts set forth in the Final Settlement Statement that have been identified by Resources in the Objection Notice, which resolution shall be in accordance with this Agreement and no other matter relating to the Final Settlement Statement shall be subject to determination by the Referee except to the extent affected by resolution of the disputed amounts. In connection with the engagement of the Referee, each of Buyer and Resources shall execute any engagement, indemnity and other agreement as the Referee shall require as a condition to such engagement. If PricewaterhouseCoopers is unable or unwilling to serve as the Referee and Buyer and Resources are unable to agree upon the designation of a Person as substitute arbitrator, then Buyer or Resources, or either of them, may in writing request the Bankruptcy Court to appoint the substitute referee; *provided* that such Person so appointed shall be a national or regional accounting firm with no prior material relationships with Buyer or Resources or their respective Affiliates and shall have experience in auditing companies engaged in oil and gas exploration and development activities.

(e) The Referee shall determine such items of the calculation of the Adjusted Purchase Price as are disputed within thirty (30) calendar days after the objections that remain in dispute are submitted to it.

(f) If any disputed items are submitted to the Referee for resolution, (i) the Referee shall be provided a copy of this Agreement and the Objection Notice, and each of Buyer and Resources shall furnish to the Referee such workpapers and other documents and information relating to such disputed items as the Referee may request and are available to that Party or its Affiliates (or its independent public accountants) and will be afforded the opportunity to present to the Referee any materials relating to the determination of the matters in dispute and to discuss

such determination with the Referee prior to any written notice of determination hereunder being delivered by the Referee; (ii) the Referee's decision with respect to the submitted disputed items shall be limited to the selection of the single proposal for the resolution of the aggregate matters being disputed proposed by a Party that best reflects the terms and provisions of this Agreement, *i.e.*, the Referee must select either Buyer's proposal or Sellers' proposal for resolution of all of the submitted disputed items; (iii) the determination by the Referee of items of the calculation of the Adjusted Purchase Price, as applicable, as set forth in a written notice delivered to Resources and Buyer by the Referee, shall be made in accordance with this Agreement and shall be binding and conclusive on the Parties and shall constitute an arbitral award that is final, binding and unappealable (absent manifest error or fraud) and upon which a judgment may be entered by a court having jurisdiction thereof; and (iv) the fees and expenses of the Referee (the "Audit Fees") shall be paid by and apportioned between Buyer and Resources based on the aggregate dollar amount in dispute and the relative recovery as determined by the Referee of Resources and Buyer, respectively (such that, by way of example, if the amount in dispute is \$100 and it is resolved \$70 in favor of Buyer and \$30 in favor of Resources, then Resources would bear 70% of the Audit Fees and Buyer would bear 30% of the Audit Fees).

(g) Upon agreement of Buyer and Resources to the Adjusted Purchase Price set forth in the Final Settlement Statement, or upon final determination by the Referee of the disputed items set forth in the Objection Notice, as the case may be (such date of determination being the "Cut-Off Date"), the Final Settlement Statement (as adjusted pursuant to such agreement or determination by the Referee) will be deemed final and binding on the Parties. From and after the Closing Date, Sellers (and, after formation of a Liquidating Trust, if applicable, the Liquidating Trustee) shall retain in the Post-Closing Escrow Account a portion of the Closing Date Adjusted Purchase Price equal to the greater of (x) an amount equal to ten percent (10%) of the unadjusted Purchase Price or (y) any unresolved amounts with respect to the Closing Statement disputed by Buyer in good faith in accordance with Section 2.04(d) (as applicable, the "Settlement Statement Escrow Funds") as a cash reserve for the express purpose of fulfilling Sellers' obligations under this Section 2.06 and Section 2.07, and any claims against the Special Warranty, until the Cut-Off Date and, if a payment is due by Sellers pursuant to Section 2.07(a), the date that such payment is made pursuant to Section 2.07(a).

#### Section 2.07 *Post-Closing Payments.*

(a) If the Closing Date Adjusted Purchase Price is greater than the Adjusted Purchase Price determined in accordance with Section 2.06 (the amount of any such excess, the "Closing Payment Excess"), then Sellers and Buyer shall jointly instruct the Escrow Agent to disburse from the Post-Closing Escrow Account (i) to Buyer, an amount equal to the Closing Payment Excess and (ii) if the Closing Payment Excess is less than the Settlement Statement Escrow Funds, to Sellers the remaining portion of the Settlement Statement Escrow Funds. Notwithstanding anything in this Agreement to the contrary, in no event shall Sellers be liable to Buyer for any Closing Payment Excess or any claims against the Special Warranty for any amounts other than out of amounts in the Post-Closing Escrow Account.

(b) If the Adjusted Purchase Price determined in accordance with Section 2.06 is greater than the Closing Date Adjusted Purchase Price (the amount by which the Adjusted Purchase Price exceeds the Closing Date Adjusted Purchase Price herein referred to as the



“Closing Amount Shortfall”), then (i) Sellers and Buyer shall jointly instruct the Escrow Agent to disburse to Sellers out of the Post-Closing Escrow Account all of the Settlement Statement Escrow Funds and (ii) Buyer shall deliver to Sellers, within five (5) Business Days of the final determination of the Adjusted Purchase Price in accordance with Section 2.06, an amount in cash equal to the Closing Amount Shortfall.

(c) Until the date that Buyer delivers the Final Settlement Statement to Buyer, Sellers shall pay to Buyer, and Buyer shall pay to Sellers, as applicable, any post-Closing payments as may be required herein, and, in the case of Section 2.10, Section 2.11, or Section 7.07, such payments shall be made at such times as set forth therein.

Section 2.08 No Duplicative Effect; Methodologies. The provisions of Section 2.04, Section 2.06, this Section 2.08 and of any other Transaction Document shall apply in such a manner so as not to give the components and calculations duplicative effect to any item of adjustment and the Parties covenant and agree that no amount shall be (or is intended to be) included, in whole or in part (either as an increase or reduction) more than once in the calculation of (including any component of) the Adjusted Purchase Price, or any other calculated amount pursuant to this Agreement if the effect of such additional inclusion (either as an increase or reduction) would be to cause such amount to be overstated or understated for purposes of such calculation. “Earned” and “incurred”, as used in this Agreement, shall be interpreted in accordance with GAAP and COPAS standards, as applied by Sellers in the ordinary course of business consistent with past practice, subject to the other provisions in this Section 2.08; *provided* if not determinable pursuant to the foregoing, the date an item or work is ordered is not the date of a transaction or incurrence for settlement purposes in the Closing Statement or Final Settlement Statement and otherwise under this Agreement, as applicable, but rather the date on which the item ordered is delivered to the job site, or the date on which the work ordered is performed, is the relevant date, regardless of when the applicable invoice was sent. The Parties acknowledge and agree that, if there is a conflict between a determination, calculation, methodology, procedure or principle set forth in the definitions contained in this Agreement, as applicable, on the one hand, and those provided by GAAP or COPAS, on the other hand, (i) the determination, calculation, methodology, procedure or principle set forth in this Agreement, as applicable, shall control to the extent that the matter is specifically provided for in this Agreement and (ii) the determination, calculation, methodology, procedure or principle prescribed by GAAP or COPAS, as applied by Sellers consistent with past practice, shall control to the extent the matter is not so addressed in this Agreement, as applicable, or requires reclassification as an asset or liability to be included in a line item or specific adjustment.

Section 2.09 Purchase Price Deposit.

(a) Escrow Deposit. No later than one (1) Business Day after the execution of this Agreement by all Parties, Buyer shall deposit into the Deposit Escrow Account, by wire transfer of immediately available funds, an amount equal to \$100,000 (such amount, together with any interest earned thereon, the “Deposit Escrow Funds”).

(b) Distribution of Deposit Escrow Funds. The Deposit Escrow Funds shall be distributed as follows:

(i) if this Agreement is terminated prior to Closing for any reason, the Deposit Escrow Funds shall be delivered in accordance with Section 9.02; or

(ii) if the Closing occurs, the Deposit Escrow Funds shall be applied as a credit towards the Closing Date Adjusted Purchase Price as provided in Section 2.05(e) and Sellers shall promptly deliver written instructions to the Escrow Agent and Buyer instructing the Escrow Agent to deliver to one or more accounts designated by Sellers the Deposit Escrow Funds.

Section 2.10 Division of Hydrocarbons. After the Closing, all Buyer Hydrocarbons and Effective Time Hydrocarbons shall be owned by Buyer and all Seller Hydrocarbons shall be owned by Sellers. To the extent Sellers have sold Hydrocarbons (other than Seller Hydrocarbons) which constitute Assets and the Purchase Price has not been adjusted pursuant to Section 2.04(b)(ii) for the proceeds of such sales, Sellers shall deliver such proceeds received after Closing (net of (A) amounts payable as Burdens on such production paid or borne by Sellers, (B) marketing fees paid by Seller to Third Parties in respect of such Hydrocarbons and (C) applicable Non-Income Taxes paid or borne by Sellers and not reimbursed to Sellers by a Third Party and not taken into account for purposes of Section 2.04(a)(iii)) to Buyer promptly upon Sellers' receipt thereof. To the extent Buyer receives proceeds or other income relating to any Seller Hydrocarbons, Buyer shall deliver such proceeds to Sellers promptly upon Buyer's receipt thereof (net of (x) amounts payable as Burdens on such production paid or borne by Buyer, (y) marketing fees paid by Buyer to Third Parties in respect of such Hydrocarbons and (z) applicable Non-Income Taxes paid or borne by Buyer and not reimbursed to Buyer by a Third Party and not taken into account for purposes of Section 2.04(b)(vii)).

Section 2.11 Division of Revenues and Expenses; Burdens. For purposes of determining the amount of the adjustments to the Purchase Price provided for in Section 2.04, the principles set forth in this Section 2.11 shall apply except as expressly provided otherwise in this Agreement. As between Buyer and Sellers, (i) Sellers shall remain entitled to all rights of ownership (including the right to all production, proceeds of production and other proceeds, if any) and shall remain responsible for all Property Expenses and Burdens on the production of Hydrocarbons, in each case, attributable to the Assets for the periods prior to the Effective Time, other than Assumed Liabilities, and (ii) Buyer shall be entitled to all rights of ownership (including the right to all production, proceeds of production and other proceeds) and shall be responsible for all Property Expense and Burdens (other than Burdens paid or borne by Sellers and taken into account pursuant to Section 2.04(b)(ii)(A)) on the production of Hydrocarbons, in each case, attributable to the Assets from the periods from and after the Effective Time. For purposes of allocating production (and expenses, Burdens and proceeds with respect thereto) under this Agreement, (a) liquid Hydrocarbons shall be deemed to be "from or attributable to" the Wells when they pass through the pipeline connecting into the storage facilities into which they are transported from the lands covered by the applicable Well, or if there are no storage facilities, when they pass through the LACT meter or similar meter at the entry point into the pipelines through which they are transported from such lands and (b) gaseous Hydrocarbons shall be deemed to be "from or attributable to" the Wells when they pass through the delivery point sales meters or

similar meters at the entry point into the pipelines through which they are transported from such lands. Sellers shall utilize reasonable interpolative procedures to arrive at an allocation of production when exact meter readings (including gas production meters or sales meters) or gauging and strapping data is not available.

Section 2.12 *Preferential Purchase Rights.*

(a) Sellers shall, within five (5) Business Days after the Execution Date (to the extent not sent prior to the Execution Date), send to the holder of each Preferential Purchase Right with respect to each Oil and Gas Property identified on Schedule 3.17 a notice in compliance with the contractual provisions applicable to such Preferential Purchase Right (or such other notice as necessary to permit the assignment of such Oil and Gas Property to Buyer pursuant to this Agreement upon entry of the Sale Order) (a “Pref Right Notice”); *provided* that, with respect to each Preferential Purchase Right that is not set forth on Schedule 3.17 but is discovered by a Party prior to Closing, Seller shall send to the holder of such Preferential Purchase Right a Pref Right Notice as soon as reasonably practicable after discovery thereof. If a bona fide Preferential Purchase Right with respect to any Oil and Gas Property is exercised prior to the Closing, such Oil and Gas Property and the related Contracts (solely to the extent related to such Oil and Gas Property) shall be excluded from the Assets conveyed to Buyer at the Closing, the affected Oil and Gas Property will be deemed to be an Excluded Asset, the Purchase Price shall be reduced by an amount equal to the cash proceeds received by Sellers with respect to the affected Oil and Gas Property and related Contracts, and Sellers shall be entitled to retain all proceeds received for the affected Oil and Gas Property and related Contracts from the Person exercising such Preferential Purchase Right.

(b) Buyer shall purchase at the Closing all Oil and Gas Property burdened by a Preferential Purchase Right that has not been exercised as of the Closing Date, regardless of whether the time period for the exercise of such right has expired, and no reduction of the Purchase Price paid at the Closing shall be made with respect thereto. If, for any reason, such Preferential Purchase Right is successfully exercised by the holder thereof after the Closing, Buyer shall be entitled to retain all proceeds paid for the affected Oil and Gas Property by the holder of the relevant Preferential Purchase Right, and Sellers shall have no liability with respect to such affected Oil and Gas Property and no adjustment to the Purchase Price shall be made with respect thereto.

(c) To the extent any Asset is subject to a valid and enforceable Preferential Purchase Right in favor of a Third Party, Buyer and Sellers agree that the portion of the consideration to be paid under this Agreement allocable to each such Asset is the Allocated Value of such Asset, *plus* the assumption of the Assumed Liabilities related to such Asset.

(d) If prior to Closing any Person asserts that it is the beneficiary of a Preferential Purchase Right with respect to any Oil and Gas Property and objects to the sale of such Oil and Gas Property to Buyer pursuant to this Agreement and such objection is not resolved so as to permit the sale of such Oil and Gas Property free and clear of such right (as applicable to the sale to Buyer pursuant to this Agreement) to Buyer (by Final Order of the Bankruptcy Court or otherwise to Buyer’s reasonable satisfaction), then, at Buyer’s option, such Oil and Gas Property

shall be excluded from the Assets and the Purchase Price shall be reduced by the Allocated Value of such Oil and Gas Property.

Section 2.13 *Consents to Assign.*

(a) Sellers shall, within five (5) Business Days after the Execution Date (to the extent not sent prior to the Execution Date), send to the holder of each Applicable Schedule 3.06 Consent with respect to each Lease and any Purchased Contract that is not a 365 Contract (for which notices regarding 365 Contracts are addressed in Section 5.03) a notice in compliance with the contractual provisions applicable to such Applicable Schedule 3.06 Consent seeking such holder's consent to the transactions contemplated hereby or such other notice as necessary to permit the assignment of such Lease or Purchased Contract to Buyer pursuant to this Agreement upon entry of the Sale Order (a "Consent Notice"). With respect to each Consent (A) relating to a Contract for which the counterparty's consent to assignment would be required for such Contract to be assumed and assigned to Buyer, after giving effect to sections 365(c)(1) and 365(f)(1) of the Bankruptcy Code or (B) that burdens a Lease, but which Consent is not set forth on Disclosure Schedule 3.06 and is discovered by Sellers (including, if applicable, any such Consent that is identified by Buyer) prior to Closing, all such Consents shall thereafter be Applicable Schedule 3.06 Consents and Sellers shall send to the holder of each such Consent a Consent Notice.

(b) If Sellers fail to obtain an Applicable Schedule 3.06 Consent prior to Closing and (A) with respect to any Lease or Purchased Contract that is not a 365 Contract, (1) the failure to obtain such Applicable Schedule 3.06 Consent would cause the assignment of the Assets affected thereby to Buyer to be void or voidable, or (2) the failure to obtain such Applicable Schedule 3.06 Consent could reasonably result in the termination of such Lease or Purchased Contract under the express terms thereof upon the purported assignment of such Lease or Purchased Contract to Buyer pursuant to this Agreement or (B) with respect to any Lease or Purchased Contract, a party holding such Applicable Schedule 3.06 Consent right has objected in writing to the assignment of the affected Asset in accordance with the terms of the relevant Applicable Schedule 3.06 Consent right or based on any anti-assignment or consent to assign provision contained in such Lease or Purchased Contract (each Consent as to which clause (A) or (B) is applicable, a "Required Consent"), then, unless the Bankruptcy Court has entered an order approving (or in the case of clause (B), such objection is resolved to permit) the sale and assignment of the affected Asset to Buyer pursuant to this Agreement without obtaining such Required Consent, the Assets (or portions thereof) affected by such un-obtained Required Consent shall be excluded from the Assets to be assigned to Buyer at Closing (and shall be considered Excluded Assets hereunder) and the Purchase Price shall be reduced by the Allocated Value(s) of such Assets (or portions thereof) so excluded. In the event that any such Required Consent with respect to any such Asset excluded from the sale and transfer at Closing (or portion thereof) is obtained during the Post-Closing Consent Period (or if during the Post-Closing Consent Period the Bankruptcy Court enters an order providing that (x) such Required Consent is not required to consummate the sale of the affected Assets to Buyer pursuant to this Agreement without obtaining such Required Consent or (y) the affected Assets may be sold and assigned to Buyer pursuant to this Agreement free and clear of such Required Consent), then, (1) Sellers shall so notify Buyer and (2) on the tenth (10th) Business Day after the date such Consent is obtained (or such Bankruptcy Court order is entered), Sellers shall assign the Assets (or portions thereof) that were so excluded as a result of such previously un-obtained Required Consent to Buyer pursuant to an

instrument in substantially the same form as the Assignment and Bill of Sale (and such Assets (or portions thereof) shall no longer be considered Excluded Assets hereunder) and, contemporaneously with said assignment, Buyer shall pay by wire transfer in same day funds to Sellers, to one or more accounts designated by Sellers, the amount by which the Purchase Price was reduced at Closing with respect to such excluded Assets (or portions thereof), subject to any adjustment in the allocable portion of the Purchase Price affecting such Asset (or portions thereof) pursuant to Section 2.04 and Buyer shall assume all Assumed Liabilities with respect thereto.

(c) If Sellers fail to obtain a Consent prior to Closing and such Consent is not a Required Consent (or if prior to Closing the Bankruptcy Court enters an order providing that (x) such Required Consent is not required to consummate the sale of the affected Assets to Buyer pursuant to this Agreement without obtaining such Required Consent or (y) the affected Assets may be sold and assigned to Buyer pursuant to this Agreement free and clear of such Required Consent), then the Assets (or portions thereof) subject to such un-obtained Consent shall nevertheless be assigned by Sellers to Buyer at Closing as part of the Assets and Buyer shall be deemed to have assumed any and all Liabilities for the failure to obtain any such Consent as part of the Assumed Liabilities hereunder and Buyer shall have no claim against Sellers from any Liability for, the failure to obtain such Consent.

(d) Prior to Closing and until the earlier to occur of (x) the effective date of the Plan and (y) the one hundred twentieth (120th) day after the Closing (the period from Closing until the earlier of clause (x) or (y), the “Post-Closing Consent Period”), with respect to any un-obtained Required Consents with respect to which the Bankruptcy Court shall not have entered an order providing that (A) such Required Consent is not required to consummate the sale and assignment of the affected Assets to Buyer pursuant to this Agreement without obtaining such Required Consent or (B) the affected Assets may be sold and assigned to Buyer pursuant to this Agreement free and clear of such Required Consent, Sellers shall use their commercially reasonable efforts to obtain all Consents; *provided, however*, that Sellers shall not be required to incur any Liability, pay any money or provide any other consideration in order to obtain any such Consent. Buyer shall use its commercially reasonable efforts (without any obligation to incur any Liability, pay money or provide any other consideration) to assist and cooperate with Sellers in furtherance of Sellers’ efforts pursuant to this Section 2.13(d).

**Section 2.14 *Consents for Purchased Contracts.*** For all purposes of this Agreement (including all representations and warranties of Sellers contained herein), Sellers shall be deemed to have obtained all required Consents in respect of the assumption and assignment of any Purchased Contract if, and to the extent that, (a) Sellers have properly served under the Bankruptcy Code notice of assumption and assignment on the counterparty to such Purchased Contract, (b) any objections to assumption and assignment of such Purchased Contracts filed by such counterparty have been withdrawn or overruled (including pursuant to the Sale Order or other order of the Bankruptcy Court), and (c) pursuant to the Sale Order, Sellers are authorized to assume and/or assign such Purchased Contracts to Buyer pursuant to section 365 of the Bankruptcy Code or otherwise.

Section 2.15 *Assets Sold "As Is, Where Is"*.

(a) BUYER ACKNOWLEDGES AND AGREES THAT THE ASSETS SOLD PURSUANT TO THIS AGREEMENT ARE SOLD, CONVEYED, TRANSFERRED AND ASSIGNED ON AN "AS IS, WHERE IS" BASIS "WITH ALL FAULTS" AND WITHOUT WARRANTY OF TITLE AND THAT, EXCEPT AS SET FORTH IN ARTICLE III OF THIS AGREEMENT, THE CERTIFICATES DELIVERED BY SELLERS AT CLOSING OR IN THE ASSIGNMENT, AND THE SPECIAL WARRANTY, SELLERS MAKE NO REPRESENTATIONS OR WARRANTIES, TERMS, CONDITIONS, UNDERSTANDINGS OR COLLATERAL AGREEMENTS OF ANY NATURE OR KIND, EXPRESS OR IMPLIED, BY STATUTE OR OTHERWISE, CONCERNING THE ASSETS OR THE CONDITION, DESCRIPTION, QUALITY, USEFULNESS, QUANTITY OR ANY OTHER THING AFFECTING OR RELATING TO THE ASSETS, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH WARRANTIES ARE ALSO HEREBY EXPRESSLY DISCLAIMED. BUYER FURTHER ACKNOWLEDGES THAT SELLERS HAVE MADE NO AGREEMENT OR PROMISE TO REPAIR OR IMPROVE ANY OF THE ASSETS BEING SOLD TO BUYER, AND THAT BUYER TAKES ALL SUCH ASSETS IN THE CONDITION EXISTING ON THE CLOSING DATE "AS IS, WHERE IS" AND "WITH ALL FAULTS" AND WITHOUT WARRANTY OF TITLE.

(b) EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE III OF THIS AGREEMENT, THE CERTIFICATES DELIVERED BY SELLERS AT CLOSING OR IN THE ASSIGNMENT AND THE SPECIAL WARRANTY, AND WITHOUT LIMITING THE GENERALITY OF SECTION 2.15(a), SELLERS EXPRESSLY DISCLAIM ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (i) TITLE TO ANY OF THE ASSETS, (ii) THE CONTENTS, CHARACTER OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (iii) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE PURCHASED ASSETS, (iv) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (v) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (vi) THE CONDITION, QUALITY, SUITABILITY OR MARKETABILITY OF THE ASSETS, INCLUDING THE MARKETABILITY OF ANY HYDROCARBONS, (vii) THE AVAILABILITY OF GATHERING OR TRANSPORTATION FOR HYDROCARBONS, (viii) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY OR ON BEHALF OF SELLERS OR THIRD PARTIES WITH RESPECT TO THE ASSETS, AND (ix) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO BUYER OR ANY AFFILIATE OF BUYER, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO. ANY AND ALL SUCH DATA, INFORMATION AND OTHER MATERIALS FURNISHED BY OR ON BEHALF OF SELLERS IS PROVIDED TO BUYER AS A CONVENIENCE, AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK.

Section 2.16 *Presence of Wastes, NORM, Hazardous Substances and Asbestos.* BUYER ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED TO EXPLORE FOR, DEVELOP AND PRODUCE HYDROCARBONS, AND THAT SPILLS OF WASTES, CRUDE OIL, PRODUCED WATER, HAZARDOUS SUBSTANCES AND OTHER MATERIALS MAY HAVE OCCURRED THEREON. ADDITIONALLY, THE ASSETS, INCLUDING PRODUCTION EQUIPMENT, MAY CONTAIN ASBESTOS, HAZARDOUS SUBSTANCES OR NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE OR IN OTHER FORMS, AND NORM-CONTAINING MATERIAL MAY HAVE BEEN BURIED OR OTHERWISE DISPOSED OF ON THE ASSETS. A HEALTH HAZARD MAY EXIST IN CONNECTION WITH THE ASSETS BY REASON THEREOF. SPECIAL PROCEDURES MAY BE REQUIRED FOR REMEDIATION, REMOVING, TRANSPORTING AND DISPOSING OF ASBESTOS, NORM, HAZARDOUS SUBSTANCES AND OTHER MATERIALS FROM THE ASSET. With respect to the Assets actually acquired by Buyer at Closing hereunder, Buyer assumes all liability for the assessment, remediation, removal, transportation and disposal of these materials and associated activities.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS**

Sellers, jointly and severally, represent and warrant to Buyer as of the Execution Date, the following, except as set forth in the Disclosure Schedule (and subject to Section 14.13):

Section 3.01 *Organization.* Each Seller is an entity duly organized, validly existing and in good standing (if applicable) under the Applicable Laws of the jurisdiction of its organization. Each Seller is duly qualified or licensed to do business and is in good standing (if applicable) in each jurisdiction where the nature of its business or properties makes such qualification or licensing necessary.

Section 3.02 *Authority and Authorization.* Each Seller has full power and authority to carry on its business as presently conducted and to enter into this Agreement and the other Transaction Documents to which such Seller is or will be a party and, subject to the entry of the Bid Procedures Order and the entry of the Sale Order, to perform its obligations under this Agreement and the other Transaction Documents to which such Seller is or will be a party. The execution and delivery by each Seller of this Agreement and the other Transaction Documents to which such Seller is or will be a party, and the performance by each Seller of its obligations under this Agreement and the other Transaction Documents to which such Seller is or will be a party and the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite limited liability company action on the part of such Seller.

Section 3.03 *Enforceability.* This Agreement has been duly executed and delivered on behalf of each Seller and (assuming due authorization, execution and delivery thereof by Buyer), subject to requisite Bankruptcy Court approval, will constitute the legal, valid and binding obligation of each Seller enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, reorganization or moratorium statutes, or other similar Applicable Laws affecting the rights of creditors generally or equitable principles (collectively, "Equitable Limitations"). At the Closing, all other Transaction Documents required

hereunder to be executed and delivered by each Seller shall be duly executed and delivered and (assuming due authorization, execution and delivery thereof by the other parties thereto) shall constitute legal, valid and binding obligations of such Seller enforceable against it in accordance with their terms, except as enforceability may be limited by Equitable Limitations, subject to the entry of the Sale Order and provided no stay exists with respect to the Sale Order.

Section 3.04 *Conflicts*. The execution and delivery by each Seller of this Agreement and the other Transaction Documents to which such Seller is or will be a party does not, and the consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which such Seller is or will be a party shall not, (a) violate or be in conflict with, or require the consent (other than consents that have been obtained) of any Person or entity under, any provision of such Sellers' Organizational Documents, (b) subject to the entry of the Bid Procedures Order and the Sale Order and obtaining the consents described on Disclosure Schedule 3.06, conflict with, result in a breach of, constitute a default (or an event that with the lapse of time or notice, or both would constitute a default) under any agreement or instrument to which such Seller is a party or by which any of the Oil and Gas Properties listed on Annex A or Annex B are bound, (c) subject to the entry of the Bid Procedures Order and the Sale Order, violate any provision of or require any consent, authorization or approval under any judgment, decree, judicial or administrative order, award, writ, injunction, statute, rule or regulation applicable to any Seller or the Oil and Gas Properties listed on Annex A or Annex B or (d) result in the creation of any Lien on any of the Oil and Gas Properties listed on Annex A or Annex B, other than Permitted Liens.

Section 3.05 *Material Contracts*.

(a) To Sellers' Knowledge, Disclosure Schedule 3.05(a) sets forth a list, as of the Execution Date, of all Applicable Contracts of the type described below and any and all amendments, extensions, or other modifications thereof (each such Contract listed on Disclosure Schedule 3.05(a), other than any such Contract that is an Excluded Asset or an Excluded Liability a "Material Contract"):

(i) any Applicable Contract that constitutes a lease under which a Seller is the lessor or the lessee of real or personal property (other than any Lease) that (A) cannot be terminated by Sellers without penalty upon thirty (30) days' or less notice and (B) involves an annual base rental of more than \$25,000;

(ii) any Contract with any Affiliate of Sellers that will be binding on Buyer after the Closing;

(iii) any Applicable Contract that is a Hydrocarbon purchase and sale, transportation, gathering, treating, processing, compression or similar Contract that is not terminable without penalty on thirty (30) days' or less notice, including any such Applicable Contract providing for volumetric or monetary commitments or indemnification therefor or for dedication of future production;

(iv) any Contract to sell, lease, exchange or otherwise dispose of any Sellers' interests in any of the Oil and Gas Properties;



- (v) any tax partnership or joint venture Contract;
- (vi) any joint or unit operating agreement to which any Sellers' interests in any of the Oil and Gas Properties is subject;
- (vii) any Contract providing for an "earnout," "back-in" working interest, or other contingent payment or interest;
- (viii) any Applicable Contract that contains any calls on, or options to purchase, material quantities of Hydrocarbon production, other than pursuant to currently effective Hydrocarbon purchase and sale contracts to which the Assets will be subject after Closing;
- (ix) any Applicable Contract that can reasonably be expected to result in (A) aggregate payments by or on behalf of Seller or (B) aggregate revenues paid to Seller, in each case, of more than \$100,000 during the current or any subsequent fiscal year or \$250,000 in the aggregate over the term of such Applicable Contract (in each case, based solely on the terms thereof);
- (x) any Contract for drilling or well workover services or other well services agreement;
- (xi) any Contract for the providing, use, processing and/or analysis of or license or sharing agreement for which Buyer will be liable relating to, seismic or geophysical data;
- (xii) any development Contract, farm-in Contract, farm-out Contract, gathering Contract, joint venture Contract, participation Contract, exploration Contract, joint operating Contract, development Contract, unit operating Contract, operating Contract, unit Contract, pooling Contract, area of mutual interest Contract or similar Contract;
- (xiii) any Contract, the primary purpose of which is to provide indemnity rights;
- (xiv) any Contract containing any Preferential Purchase Right affecting the Oil and Gas Properties; or
- (xv) any Applicable Contract that is an indenture, mortgage, loan, credit agreement, sale-leaseback, guaranty of financial obligation, bond, letter of credit or similar financial Contract the obligations under which are secured by a Lien on any Asset created by, through or under Sellers.

(b) Except as set forth on Disclosure Schedule 3.05(b), (i) subject to entry of the Sale Order and payment of all Cure Costs, as of the Execution Date, all of the Material Contracts are, to Sellers' Knowledge, in full force and effect and no Seller nor, to Sellers' Knowledge, any other party to any such Material Contract, is in material breach of or material default, or with the lapse of time or the giving of notice, or both, would be in material breach or

material default, with respect to any of its obligations thereunder; and (ii) (A) as of the Execution Date, Sellers have made available to Buyer (electronically or otherwise) copies of all Material Contracts listed on Disclosure Schedule 3.05(a) and (B) to Sellers' Knowledge, such copies are complete and accurate copies of such Material Contracts.

Section 3.06 *Approvals*. To Sellers' Knowledge, Disclosure Schedule 3.06 contains a complete and accurate list or description of all approvals, consents, filings and notifications required to be obtained, made or given by Sellers, after giving effect to the entry of the Bid Procedures Order and the Sale Order, for the consummation of the Transactions (each, a "Consent"), other than (a) for Preferential Purchase Rights, (b) under Contracts that are terminable without cost upon not greater than 60 days' notice and (c) any approvals, consents, filings and notifications of or with any Governmental Authority of the type customarily obtained, made or given after Closing.

Section 3.07 *Environmental Matters*.

(a) Other than Permits, except as set forth on Disclosure Schedule 3.07, to Sellers' Knowledge, Sellers have not entered into any agreements or consents with any Governmental Authority and are not subject to any order, decree, Proceeding or judgments issued by a Governmental Authority, in each case, that relate to any material violation of or material Liability under any Environmental Law with respect to any of the Oil and Gas Properties, including any material remedial or other material corrective action with respect to any Oil and Gas Property.

(b) Sellers, with respect to the Oil and Gas Properties, have not released, or exposed any Person to any Hazardous Substance in a manner or under conditions that have resulted or would reasonably be expected to result in any material Liability under any Environmental Law.

Section 3.08 *Well Status*. As of the Execution Date, except as set forth on Disclosure Schedule 3.08, there are no Wells located on the Oil and Gas Properties that: (i) were required by Applicable Law or Lease to be plugged and abandoned that have not been plugged and abandoned in accordance in all material respects with all Applicable Laws; or (ii) have been plugged and abandoned but have not been plugged and abandoned in accordance in all material respects with all Applicable Laws.

Section 3.09 *Imbalances*. To Sellers' Knowledge, Disclosure Schedule 3.09 sets forth, in all material respects, all Imbalances with respect to the Oil and Gas Properties as of the date(s) shown on Disclosure Schedule 3.09.

Section 3.10 *Litigation*. Except as set forth in Disclosure Schedule 3.10, as of the Execution Date, there is no Proceeding pending, or to Sellers' Knowledge, threatened in writing, against any Seller that (a) relates to any Sellers' ownership or operation of any of the Assets, (b) in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Transactions or (c) affects the execution, delivery or performance by any Seller of this Agreement or any other Transaction Document to which any Seller is or will be a party.

Section 3.11 *Hedging*. There are no futures, hedges, swaps, collars, puts, calls, floors, caps, options or other Contracts that are intended to benefit from, relate to or reduce or eliminate the risk of fluctuations in the price of commodities, including Hydrocarbons, that have

been entered into by any Seller or are otherwise binding on the Assets that will be binding on the Assets at any time following the Closing Date.

Section 3.12 *Intellectual Property*. To Sellers' Knowledge, except as set forth on Disclosure Schedule 3.12, Sellers do not own any Intellectual Property related to or used in connection with the ownership of the Oil and Gas Properties.

Section 3.13 *Insurance Coverage*. Disclosure Schedule 3.13 sets forth a list of all material insurance policies and fidelity bonds of Sellers in effect as of the Execution Date relating to the Oil and Gas Properties.

Section 3.14 *Taxes*. Except as set forth on Disclosure Schedule 3.14:

(a) (i) all Tax Returns with respect to Non-Income Taxes relating to Assets have, to the extent required by Applicable Law to be filed (taking into account extensions of time within which to file), been filed when due in accordance with all Applicable Law, (ii) as of the time of filing, such Tax Returns were true and complete in all material respects; and (iii) each Seller has paid (or has had paid on its behalf) or has withheld and remitted to the appropriate Taxing Authority all material amounts of Taxes shown as due and payable reflected on such filed Tax Returns;

(b) to Sellers' Knowledge, there is no claim, audit, action, suit, proceeding or investigation pending against or with respect to any Seller in respect of any Non-Income Taxes;

(c) Sellers do not treat any Oil and Gas Property as property owned by any partnership for U.S. federal income tax purposes other than Gavilan Resources Holdco, LLC;

(d) to Sellers' Knowledge, there are no Tax liens (other than Permitted Liens) on any of the Assets;

(e) to Sellers' Knowledge, none of the Oil and Gas Properties is "tax exempt use property" within the meaning of Section 168(h) of the Internal Revenue Code of 1986, as amended (the "Code");

(f) with respect to any Tax that could result in a lien or other claim against any of the Oil and Gas Properties, (A) the Sellers have not entered into any "closing agreements" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign law) with any Taxing Authority prior to the Closing that requires a Seller to take any action or to refrain from taking any action, (B) the Seller are not a party to any agreement with any Taxing Authority that would be terminated or adversely affected as a result of the transactions contemplated by this Agreement, (C) there is not in force any extension of time with respect to the due date for the filing of any Tax Return relating to the Oil and Gas Properties or any waiver or agreement for any extension of time for the assessment or payment of any Non-Income Tax of or with respect to a Seller and no request for any such waiver is pending, and (D) no Seller is a party to or bound by any Tax allocation, sharing or indemnity agreements or arrangements; and

(g) each Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

Section 3.15 *Letters of Credit*. As of the Execution Date, there are no Existing Letters of Credit.

Section 3.16 *Outstanding Obligations*. As of the Execution Date, except for obligations under the Purchased Contracts that may arise in accordance with the terms of such Purchased Contracts after the Execution Date, which are set forth on Disclosure Schedule 3.16, or other obligations as described on Disclosure Schedule 3.16, there are no existing commitments or obligations for which Sellers have outstanding any unfunded amount under an authorization for expenditure in excess, individually or in the aggregate, of \$100,000 (net to Sellers' interests) for drilling, completing, equipping, maintaining, deepening, side tracking, reworking, plugging and abandonment or other costs or expenses arising from or relating to the ownership of the Oil and Gas Properties.

Section 3.17 *Preferential Purchase Rights*. Except as set forth on Disclosure Schedule 3.17, there are no preferential purchase rights, rights of first offer or refusal, drag-along rights, tag-along rights or other similar rights that are applicable to the transfer of the Assets in connection with the Transactions (the "Preferential Purchase Rights").

Section 3.18 *Broker*. Other than amounts as may be payable by Sellers for which Buyer shall have no liability, no broker, finder, investment banker or other similar person is or will be, in connection with the transactions contemplated by this Agreement or the other Transaction Documents, entitled to any brokerage, finder's or other fee or compensation based on any arrangement or agreement made by or on behalf of Sellers.

Section 3.19 *Burdens*. Except as set forth on Disclosure Schedule 3.19, to Sellers' Knowledge, during the period of Sellers' ownership of the Assets, Sellers or the applicable operator have properly and timely paid, or caused to be paid, all Burdens in all material respects due by Seller with respect to the Assets in accordance with Applicable Law and the Leases.

Section 3.20 *No Violation of Laws*. Except as set forth on Disclosure Schedule 3.20, neither Seller nor, to Sellers' Knowledge, any Third Party operator, is in material non-compliance with or in material violation of any Applicable Laws (other than Environmental Laws, which are addressed in Section 3.07), including with respect to the ownership and operation of the Assets.

Section 3.21 *Leases*. None of the Leases are being maintained in full force and effect by the payment of shut-in royalties or other payments in lieu of operations or production. All of the Leases are currently held by production in paying quantities. Except as set forth on Disclosure Schedule 3.21, none of Seller or any of its Affiliates have received any written notice from any party under a Lease or surface interest alleging that Seller or its Affiliates are in breach or default of such Lease or surface interest in any material respect (which default has not been cured). Seller and, to Sellers' Knowledge, each other party to the Leases and surface interests, have complied in all material respects with the terms of the Leases and surface interests. To Sellers' Knowledge, no party to any Lease or surface interest has threatened to file any action to terminate, cancel, rescind or procure judicial reformation of any Lease or surface interest.

Section 3.22 *[Reserved]*.

Section 3.23 *Suspense Funds*. Disclosure Schedule 3.23 sets forth any Third Party funds held in suspense (including any Suspense Funds) with respect to production of Hydrocarbons from any of the Oil and Gas Properties other than amounts less than the statutory minimum amount that Seller is permitted to accumulate under Applicable Law prior to payment. All amounts set forth on Disclosure Schedule 3.23 are held by Seller pursuant to Applicable Law or Contract.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Sellers as of the Execution Date the following:

Section 4.01 *Organization*. Buyer is a limited liability company duly organized, validly existing and in good standing (if applicable) under the Applicable Laws of Delaware. Buyer is duly qualified or licensed to do business and is in good standing (if applicable) in each jurisdiction where the nature of its business or properties makes such qualification or licensing necessary.

Section 4.02 *Authorization and Authority*. Buyer has full power and authority to carry on its business as presently conducted, to enter into this Agreement and the other Transaction Documents to which Buyer is or will be a party, to purchase the Assets on the terms described in this Agreement and to perform its other obligations under this Agreement and the other Transaction Documents to which Buyer is or will be a party. The execution and delivery by Buyer of this Agreement and the other Transaction Documents to which Buyer is or will be a party, and the performance by Buyer of this Agreement and the other Transaction Documents to which Buyer is or will be a party and the transactions contemplated hereby and thereby, have been duly and validly authorized by all requisite action on the part of Buyer.

Section 4.03 *Enforceability*. This Agreement has been duly executed and delivered on behalf of Buyer, and (assuming in each case due authorization, execution and delivery thereof by Sellers) constitutes a legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms, except as enforceability may be limited by Equitable Limitations. At the Closing all other Transaction Documents required hereunder to be executed and delivered by Buyer shall be duly executed and delivered and (assuming in each case due authorization, execution and delivery thereof by the other parties thereto) shall constitute legal, valid and binding obligations of Buyer enforceable against it in accordance with their terms, except as enforceability may be limited by Equitable Limitations.

Section 4.04 *Conflicts*. The execution and delivery by Buyer of this Agreement and the other Transaction Documents to which Buyer is or will be a party does not, and the consummation by Buyer of the transactions contemplated by this Agreement and the other Transaction Documents to which Buyer is or will be a party shall not, (a) violate or be in conflict with, or require the consent of any Person under, any provision of Buyer's Organizational Documents, (b) conflict with, result in a breach of, constitute a default (or an event that with the lapse of time or notice, or both, would constitute a default) under any agreement or instrument to which Buyer is a party or is bound, or (c) violate any provision of or require any consent,

authorization or approval under any judgment, decree, judicial or administrative order, award, writ, injunction, statute, rule or regulation applicable to Buyer.

Section 4.05 *Broker*. No broker, finder, investment banker or other similar person is or will be, in connection with the transactions contemplated by this Agreement or any other Transaction Documents, entitled to any brokerage, finders or other fee or compensation based on any arrangement or agreement made by or on behalf of Buyer.

Section 4.06 *Financial Ability*. As of the Closing Date, Buyer shall have sufficient funds committed or available to it to pay the Closing Date Adjusted Purchase Price and Buyer has or will have sufficient cash to perform all of Buyer's payment obligations under this Agreement, including without limitation to assume the Assumed Liabilities. Buyer's ability to consummate the transactions contemplated hereby is not contingent upon its ability to secure any financing or to complete any public or private placement of securities prior to or upon Closing.

Section 4.07 *Approvals*. There are no approvals, consents, filings or notifications required to be obtained, made or given by Buyer as a condition to or in connection with the performance by Buyer of its obligations under this Agreement or any other Transaction Documents to which Buyer is or will be a party or the consummation by Buyer of the transactions contemplated by this Agreement or such other Transaction Documents.

Section 4.08 *Litigation*. There are no Proceedings pending to which Buyer is a party or, to Buyer's Knowledge, which have been threatened in writing against Buyer which affect the execution and delivery by Buyer of this Agreement or the other Transaction Documents to which Buyer is or will be a party, the performance by Buyer of its obligations under this Agreement or such other Transaction Documents or the consummation of the transactions contemplated hereby or thereby.

Section 4.09 *Bankruptcy*. There are no bankruptcy, reorganization or arrangement proceedings pending against, being contemplated by, or to Buyer's Knowledge, threatened in writing against Buyer.

Section 4.10 *Investor Status; Investigation*.

(a) The Assets are being acquired by Buyer for investment purposes only, for Buyer's own account and not with a view to, or for resale in connection with, any distribution thereof within the meaning of the 1933 Act.

(b) Buyer is an "accredited investor" as defined in Regulation D promulgated under the 1933 Act. Buyer acknowledges that the sale of the Assets has not been registered under the 1933 Act or any state or foreign securities laws and that the Assets may not be sold, transferred, offered for sale, pledged hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the 1933 Act and are registered under any applicable state or foreign securities laws or pursuant to an exemption from registration under the 1933 Act and any applicable state or foreign securities laws.

(c) Buyer has such expertise, knowledge and sophistication in financial and business matters generally that it is capable of evaluating, and has evaluated, the merits and economic risks of its investment in the Assets. Buyer is knowledgeable of the oil and gas business and of the usual and customary practices of oil and gas producers in the areas where the Assets are located. Further, Buyer is capable of making such investigation, inspection, review and evaluation of the Assets as a prudent purchaser would deem appropriate under the circumstances including with respect to all matters relating to the Assets, their value, operation and suitability.

(d) Buyer has had the opportunity to examine all aspects of the Assets that Buyer has deemed relevant and has had access to all information requested by Buyer with respect to the Assets in order to enter into this Agreement. In connection with the Transactions, Buyer has had the opportunity to ask such questions of, and has received sufficient answers from, the Representatives of Sellers and obtain such additional information about the Assets as Buyer deems necessary to enter into this Agreement.

(e) Buyer confirms, acknowledges and agrees that Buyer is relying entirely upon the representations and warranties of Sellers in this Agreement (and the Special Warranty) and its own investigations and inspections of the books, records and assets of Sellers, including the Assets, prior to the execution of this Agreement in entering into this Agreement and proceeding with the Transactions on the terms as set forth herein. Buyer acknowledges and agrees that any description of Sellers, their businesses, operations and assets (including the Oil and Gas Properties) in this Agreement, the Disclosure Schedules or any other Transaction Document is for the sole purpose of identification only and no representation, warranty or condition is or will be given by Sellers in respect of the accuracy of any description. In deciding to enter into this Agreement, and to consummate the Transactions, other than the express representations and warranties of Sellers set forth in Article III and the Special Warranty, Buyer has relied solely upon its own knowledge, investigation, judgment and analysis and not on any disclosure or representation made by, or any duty to disclose on the part of, Sellers or Sellers' Representatives.

Section 4.11 *Qualification*. At the Closing, Buyer (or an Affiliate of Buyer to which the Oil and Gas Properties are assigned at Closing) will be qualified to own the Assets in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated by this Agreement will not cause Buyer to be disqualified as such an owner.

Section 4.12 *No Other Representations*. No Seller nor any other Person (on behalf of any Seller or otherwise) has made or is making any representation or warranty whatsoever, express or implied, at law or in equity, with respect to Sellers, the Assets, this Agreement or the transactions contemplated by this Agreement other than the representations and warranties expressly set forth in Article III (as modified by the Disclosure Schedules) and the Special Warranty, and Buyer is not relying on and has not relied on any representation or warranty other than those representations or warranties set forth in Article III (as modified by the Disclosure Schedules) and the Special Warranty, and any reliance by Buyer on any representation or warranty other than those representations and warranties set forth in Article III (as modified by the Disclosure Schedules) and the Special Warranty is hereby expressly disclaimed.

## ARTICLE V COVENANTS OF SELLERS

Section 5.01 *Operating Covenants*. From the Execution Date until the Closing or, if earlier, the termination of this Agreement, except (t) as required by this Agreement or any other Transaction Document, (u) as required by any lease, Contract, or instrument listed on any Annex, Disclosure Schedule or Schedule, as applicable, (v) as required by any Applicable Law or any Governmental Authority (including by order or directive of the Bankruptcy Court or fiduciary duty of the board of managers of any Seller or its Affiliates) or any requirements or limitations resulting from the Bankruptcy Cases, (w) to the extent related solely to Excluded Assets and/or Excluded Liabilities, (x) for renewal of expiring insurance coverage in the ordinary course of business, (y) for emergency operations necessary to prevent or mitigate serious risk to life, property or the environment, (*provided that*, Sellers shall give prompt notice to Buyer of any such emergency requiring immediate action or any emergency action taken) or (z) as otherwise consented to in writing by Buyer:

(a) Sellers will:

(i) subject to any interruptions resulting from force majeure, mechanical breakdown and planned maintenance, maintain or cause its Affiliates to maintain the Assets in the usual, regular and ordinary manner consistent with past practice;

(ii) maintain or cause its Affiliates to maintain the books of account and records relating to the Assets in the usual, regular and ordinary manner, in accordance with its usual accounting practices;

(iii) give prompt written notice to Buyer as soon as is practicable of any material damage or casualty to or destruction or condemnation of any Oil and Gas Property of which Sellers have Knowledge;

(iv) maintain insurance coverage on the Assets in the amounts and types described on Disclosure Schedule 3.13; and

(v) notify Buyer of any election that Sellers are required or have the right to make with respect to the Oil and Gas Properties under any joint operating agreement, marketing or purchase contract, area of mutual interest agreement or farmout agreement, specifying the nature and time period associated with such election; and

(vi) use commercially reasonable efforts to pay or cause to be paid all Burdens, Taxes and Property Expenses, and other payments incurred with respect to the Assets consistent with past practice; and

(b) no Seller shall:

(i) except for operations undertaken to avoid (or as a result of) any order of a Governmental Authority, propose any operations with respect to the Assets or agree to participate in any operations with respect to the Assets, in each case, that is



reasonably expected to result in expenditures greater than \$25,000 with respect to Sellers' interest in such Assets;

(ii) become a non-consenting party to any operation proposed by a Third Party without first consulting with Buyer with respect to such election; *provided* that, if Buyer agrees to fund the costs of such operation proposed by a Third Party, Sellers shall consent to participate in such operation;

(iii) sell, lease or otherwise transfer any Oil and Gas Property, or otherwise voluntarily divest or relinquish any right or asset, other than (A) sales of Hydrocarbons in the Ordinary Course of Business, (B) sales or other dispositions of materials, supplies, machinery, equipment, improvements or other personal property or fixtures in the Ordinary Course of Business which have been replaced with an item of substantially equal suitability and (C) dispositions of Excluded Assets;

(iv) enter into any material Contract that if entered into prior to the Execution Date would be required to be listed in Disclosure Schedule 3.05(a) other than (A) Contracts of the type described in Section 3.05(a)(i), Section 3.05(a)(vi) and Section 3.05(a)(x) entered into in the Ordinary Course of Business, (B) Contracts for the sale of Hydrocarbons in the Ordinary Course of Business, not to exceed thirty (30) days in duration or terminable without penalty on thirty (30)-days' or less notice, (C) confidentiality agreements entered into in accordance with the Bid Procedures Order, and (D) contracts or agreements entered into to resolve Claims or otherwise in connection with the Bankruptcy Cases (including any in connection with an Alternative Transaction).

(v) amend or modify in any material respect or terminate any Purchased Contract (other than termination or expiration in accordance with its express terms) or materially amend any Lease or Permit;

(vi) settle any suit or litigation or waive any material claims, in each case, attributable to the Assets and affecting the period after the Effective Time and for which Buyer will be responsible for all or any portion;

(vii) grant or create any right to Consent to the disposition of, or Preferential Purchase Right with respect to, any of the Assets; or

(viii) change the methods of accounting or accounting practice by Sellers, except as required by concurrent changes in Applicable Law or GAAP as agreed to by its independent public accountants.

Section 5.02 *Operatorship*. Buyer acknowledges and agrees that Sellers cannot and do not covenant, represent or warrant that Buyer (or, if applicable, Buyer's operating Affiliate) shall become or have the right to become successor operator of any Oil and Gas Properties and that the Oil and Gas Properties may be subject to operating or other agreements that govern the right to operate the Oil and Gas Properties and the appointment of a successor operator.

Section 5.03 *Assumption and Rejection of Executory Contracts and Leases.*

(a) Schedule 5.03(a) (as may be amended from time to time or supplemented with written notice to Buyer) sets forth each 365 Contract and Sellers' good faith estimate of the amount of the Cure Costs payable in respect of each such 365 Contract (and if no Cure Cost is estimated to be payable in respect of any 365 Contract, the amount of such Cure Cost designated for such 365 Contract shall be "\$0.00") (as such schedules may from time to time be amended or supplemented with written notice to Buyer, the "365 Schedule").

(b) Subject to Buyer's rights under Section 5.03(d) below to subsequently amend such designations, Schedule 5.03(b) sets forth a complete list of the 365 Contracts listed on the 365 Schedule that Buyer desires to be assumed by Sellers and transferred and conveyed to Buyer as a Purchased Contract, which shall include each Contract that is identified as an "Operating Agreement" or "Joint Operating Agreement" on the 365 Schedule (collectively, and as further modified by Buyer pursuant to the provisions of this Section 5.03(b), the "Desired 365 Contracts"). Any 365 Contract that is not a Desired 365 Contract shall be an Excluded Asset for all purposes hereof.

(c) Promptly following the Execution Date (to the extent not previously filed), Sellers shall file the 365 Schedule with the Bankruptcy Court and deliver a written notice, in a form reasonably acceptable to Buyer, of the proposed assignments of the Desired 365 Contracts and the proposed Cure Costs for each Desired 365 Contract (consistent with Sellers' good faith estimates set forth on Schedule 5.03(a)) to all non-debtor parties of the Desired 365 Contracts, which notice shall notify each non-debtor party to such Desired 365 Contract of (i) the proposed Cure Cost for such Desired 365 Contract and (ii) an objection deadline for such non-debtor party to object to the proposed Cure Cost. To the extent that any objections are received from such non-debtor parties in response to such notice, Sellers shall take all reasonably necessary actions to resolve such disputes with the applicable non-debtor party.

(d) Notwithstanding the foregoing, at any time prior to the Designation Deadline (or, if any 365 Contract is first identified to Buyer by Sellers after the Designation Deadline and prior to the commencement of the Sale Hearing, within one (1) Business Day of such identification), (i) Buyer may designate any 365 Contract that has not been rejected as a Desired 365 Contract and upon receipt of any such notice Sellers shall use commercially reasonable efforts to effect the assumption of such 365 Contract by Sellers in accordance with the Bankruptcy Code and, if Sellers are successful in effecting such assumption as of Closing, such 365 Contract shall become a Desired 365 Contract and transferred and conveyed to Buyer as a Purchased Contract and (ii) Buyer may revise Schedule 5.03(b) by excluding one or more Desired 365 Contracts at any time prior to the Designation Deadline (*provided, however*, that Buyer may not exclude from Schedule 5.03(b) any Desired 365 Contract that is identified as an "Operating Agreement" or "Joint Operating Agreement" on the 365 Schedule). If a Desired 365 Contract is subject to a cure dispute or other dispute as to the assumption or assignment of such Desired 365 Contract that has not been resolved prior to the Designation Deadline, then the Designation Deadline shall be extended (but only with respect to such Desired 365 Contract) to no later than the earliest of (A) the date on which such dispute has been resolved to the mutual satisfaction of Buyer and Sellers, (B) the date on which such 365 Contract is deemed rejected by operation of sections 365(d)(4) or 1123(b)(2) of the Bankruptcy Code, as applicable, or (C) the date required by the Bankruptcy

Court and set forth in the Sale Order. Schedule 5.03(b) and the definition of Desired 365 Contracts shall be deemed automatically amended to reflect changes made pursuant to this Section 5.03(d).

(e) If Buyer exercises its rights in Section 5.03(d) above to designate a 365 Contract (including a 365 Contract that was a Desired 365 Contract immediately before such designation) as an Excluded Asset, there shall be no change in the Purchase Price as a result of such designation or change in designation.

(f) Notwithstanding anything in this Agreement to the contrary, Sellers shall not reject any 365 Contracts without the prior written consent of Buyer in its sole discretion; *provided* that, after the Designation Deadline, Sellers may reject 365 Contracts (other than Desired 365 Contracts) without the consent of Buyer so long as such 365 Contracts were identified to Buyer in writing prior to the Designation Deadline. In the event that Sellers identify (whether before or after the Designation Deadline) any additional 365 Contracts capable of being assumed or rejected that were not previously identified as such, Sellers shall promptly notify Buyer of (i) such 365 Contracts and (ii) Sellers' good faith estimate of the amount of the Cure Costs payable in respect of each such 365 Contract and, subject to Section 5.03(d), Buyer may designate each such additional 365 Contract as a Desired 365 Contract or Excluded Asset pursuant to this Section 5.03(f), notwithstanding the passage of the Designation Deadline. Schedule 5.03(b) and the definition of Desired 365 Contracts shall be deemed automatically amended to reflect changes made pursuant to this Section 5.03(f).

(g) Notwithstanding anything in this Agreement to the contrary, including Section 5.03(d) above, Contracts that are identified as "Operating Agreements" or "Joint Operating Agreements" on the 365 Schedule shall at all times constitute Desired 365 Contracts and shall be assigned to Buyer at the Closing.

(h) Buyer shall provide adequate assurance of future performance of all of the Desired 365 Contracts so that all Desired 365 Contracts can be assumed by Sellers and assigned to Buyer at or prior to the Closing in accordance with the provisions of section 365 of the Bankruptcy Code and this Agreement, *provided* that Buyer shall cooperate with Sellers in providing such adequate assurance of future performance of all of the Desired 365 Contracts and Buyer acknowledges that such cooperation may require Buyer to provide information regarding Buyer and its Subsidiaries, as well as a commitment of performance by Buyer and/or its Subsidiaries with respect to the Desired 365 Contracts from and after the Closing to demonstrate adequate assurance of the performance of the Desired 365 Contracts, and Sellers' obligation to assume and assign such Desired 365 Contracts is subject to the cooperation and providing of such information and commitment by Buyer. Sellers shall have no liability for Cure Costs with respect to the Desired 365 Contracts, except with respect to Excess Cure Costs.

(i) At the Closing, (i) the Purchase Price shall be increased by, pursuant to section 365 of the Bankruptcy Code, if applicable section 1123(b)(2) of the Bankruptcy Code, and the Sale Order, any and all cure and reinstatement costs or expenses that are required to be paid under sections 365(b)(1)(A), 365(b)(1)(B) and if applicable 1123(b)(2), or any other applicable provision of the Bankruptcy Code to cure any defaults in connection with the assumption and assignment of the Desired 365 Contracts (such costs or expenses required to be paid by Buyer, the "Cure Costs") with respect to the Desired 365 Contracts paid by Sellers prior to Closing; *provided*

that, with respect to each Desired 365 Contract, the Purchase Price shall not be increased by (and Seller shall retain and be responsible for) the amount of Cure Costs for any Desired 365 Contract in excess of Sellers' good faith estimate thereof as of the Execution Date and as specified for such Desired 365 Contract on the 365 Schedule (excluding post-Effective Time Property Expenses, the "Excess Cure Costs") and (ii) Buyer (and not Sellers) shall pay all Cure Costs other than the Excess Cure Costs with respect to the Desired 365 Contracts that have not been paid by Sellers as of the Closing. Notwithstanding the foregoing, if any Desired 365 Contract is subject to a dispute as to Cure Costs that has not been resolved as of Closing and such Desired 365 Contract is assigned to Buyer (at or after Closing) then, upon resolution of such Cure Costs, Buyer shall pay such Cure Costs excluding the Excess Cure Costs and Seller shall retain and be responsible for payment of the Excess Cure Costs. For the avoidance of doubt, neither Buyer nor any Buyer Affiliates shall be required to make any payment of Cure Costs for, and neither Buyer nor any Buyer Affiliates shall assume or have any obligation for any liabilities with respect to, any Contract constituting an Excluded Asset.

Section 5.04 *Access/Environmental Assessment.*

(a) Each Seller shall afford to Buyer, its Affiliates, and its and their respective officers, employees, agents, accountants, attorneys, consultants and other authorized representatives from the Execution Date until the Closing Date, during normal business hours, reasonable access to the Assets (subject to the terms, conditions and restrictions of agreements related to Assets to which such Seller is a party and the consent of the operator, as applicable) and to such Sellers' title, Leases, Contracts, Data, environmental and legal materials, books, records, statements and operating data and information relating to the Assets available as of the Execution Date and that becomes available to any Seller at any time prior to the Closing Date, together with the opportunity to make copies of such books, records and other documents at Buyer's expense, and will furnish to Buyer such other information in Sellers' possession with respect to the Assets as Buyer may reasonably request; *provided, however*, that all such information shall be held in confidence by Buyer in accordance with the terms of the Confidentiality Agreement; *provided, further*, that in no event shall Sellers be obligated to provide (i) access or information in violation of Applicable Law, (ii) any information the disclosure of which would cause the loss of any legal privilege available to any Seller relating to such information (but excluding any title opinions, environmental reports or evaluations) or would cause any Seller to breach a confidentiality obligation to which it is bound; *provided* that the applicable Seller has used its reasonable efforts to protect the privilege or to obtain a waiver of the applicable contractual obligation, or (iii) copies of bids, letters of intent, expressions of interest or other proposals received from other Persons in connection with the transactions contemplated by this Agreement or information and analyses relating to such communications, except to the extent required in the Bid Procedures Order.

(b) From and after the Execution Date and up to and including the Closing Date (or earlier termination of this Agreement), but subject to the other provisions of this Section 5.04 and obtaining any required consents of Third Parties, including Third Party operators of the Wells and Leases (which consents Sellers shall use commercially reasonable efforts to obtain but shall not be required to incur any Liabilities with respect thereto), Buyer shall have the opportunity to conduct at its expense a non-invasive environmental assessment (which shall not include invasive testing of the soil, groundwater, surface water, air or other environmental media or of building materials, equipment or facilities) of the Oil and Gas Properties (subject to any conditions or

restrictions contained in any oil and gas lease covering such Assets and Wells) (“Phase I Assessment”). Sellers will reasonably cooperate with Buyer in contacting the operators of any such Oil and Gas Properties directly to attempt to arrange for access for the purposes of such Phase I Assessment. Buyer shall not conduct prior to Closing any invasive testing of the soil, groundwater, surface water, air and other environmental media and of building materials, equipment or facilities of the Oil and Gas Properties.

(c) While performing any Phase I Assessment of the Oil and Gas Properties, Buyer or any of their representatives and agents must comply with Sellers’ environmental and safety rules and policies and with the operator’s environmental and safety rules and policies on all other Assets and Wells, in each case to the extent provided in writing to Buyer in advance. In the event that Buyer’s Phase I Assessment identifies any condition that Buyer believes must be disclosed to any Governmental Authority under Applicable Law, Buyer shall first notify Sellers of such conditions, providing Sellers with a reasonable description of such conditions and shall provide Sellers with the reasonable opportunity to notify such Governmental Authority. Buyer shall only notify a Governmental Authority of such environmental condition if, after providing Sellers with the reasonable opportunity to provide such notice, Sellers do not notify such Governmental Authority and Buyer reasonably believes that Applicable Law requires Buyer to notify such Governmental Authority of such environmental conditions; *provided, however*, that Buyer will furnish Sellers copies of all materials to be disclosed prior to any disclosure thereof and will not disclose any such information unless, in Buyer’s reasonable belief, such disclosure is required by Buyer by Applicable Law. Sellers shall have the right to observe each Phase I Assessment and Buyer shall promptly, and in any event within five (5) days after Buyer’s receipt of a request from Sellers therefor, provide to Resources a copy of all final reports prepared by or for Buyer with respect to each Phase I Assessment. All information obtained or reviewed by Buyer in connection with environmental assessments conducted pursuant to this Section 5.04 (including Phase I Assessments) shall be governed by the terms of the Confidentiality Agreement.

(d) BUYER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD EACH SELLER, EACH OF THEIR SUCCESSORS, THEIR AFFILIATES AND ALL OF THEIR RESPECTIVE DIRECTORS AND OFFICERS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND LOSSES CAUSED DIRECTLY OR INDIRECTLY BY THE ACTS OR OMISSIONS OF BUYER, BUYER’S AFFILIATES OR ANY PERSON ACTING ON BUYER’S OR ITS AFFILIATE’S BEHALF IN CONNECTION WITH ANY DUE DILIGENCE CONDUCTED PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING ANY SITE VISITS AND ENVIRONMENTAL ASSESSMENTS CONDUCTED PURSUANT TO SECTION 5.04(a) and (b), EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH SELLER-RELATED PARTY; *PROVIDED, HOWEVER*, THAT THIS PROVISION SHALL NOT APPLY TO ANY ENVIRONMENTAL CLAIM OF SELLERS DISCOVERED BY BUYER THROUGH DUE DILIGENCE, UNLESS TO THE EXTENT SUCH ENVIRONMENTAL CLAIM WAS CAUSED DIRECTLY OR INDIRECTLY BY THE ACTS OR OMISSIONS OF BUYER, BUYER’S AFFILIATES OR ANY PERSON ACTING ON BUYER’S OR ITS AFFILIATE’S BEHALF IN CONNECTION WITH ANY DUE DILIGENCE CONDUCTED PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT AND NOT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH SELLER-RELATED PARTY. Buyer shall comply with all rules, regulations, policies and instructions reasonably required by

Sellers, or any Third Party operator of any Assets, which are provided in writing to Buyer in advance regarding Buyer's actions while upon, entering or leaving any Asset, including any insurance requirements that Sellers may reasonably impose, or any such Third Party operator may impose, on contractors authorized to perform work on any Asset owned or operated by Sellers (or any such Third Party operator, as applicable).

## ARTICLE VI COVENANTS OF BUYER

Section 6.01 *[Reserved]*.

Section 6.02 *Data Retention*. Buyer, for a period of seven (7) years following Closing, will (a) retain the Data and (b) provide Sellers, their Affiliates, and Sellers and their Affiliates officers, employees and representatives with reasonable access to the Data during normal business hours for review and copying; *provided* that Buyer may destroy Data from time to time and prior to the end of such period in accordance with its normal document retention policy as long as Buyer notifies Sellers at least 30 days in advance and provides Sellers an opportunity to remove or copy such Data.

## ARTICLE VII COVENANTS OF BUYER AND SELLERS

Section 7.01 *Commercially Reasonable Efforts; Further Assurances*. Subject to the terms and conditions of this Agreement, including Section 7.02(f), and subject to the Bankruptcy Code and any orders of the Bankruptcy Court, Buyer and Sellers each agree to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to consummate the Transactions; *provided* that the Parties understand and agree that the commercially reasonable efforts of any Party shall not be deemed to include, except as expressly set forth in this Agreement, entering into any settlement, undertaking, consent decree, stipulation or agreement with any Governmental Authority in connection with the Transactions; *provided* that this Section 7.01 shall not (a) limit or affect the obligation of any Party to perform its obligations and covenants expressly set forth in this Agreement or (b) require any Party to incur any obligations or pay any fees or amounts to Third Parties not otherwise required under this Agreement. Sellers and Buyer agree to execute and deliver or cause to be executed and delivered such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the Transactions in accordance with the terms and conditions of this Agreement.

Section 7.02 *Bankruptcy Proceedings*.

(a) Not later than the third (3rd) Business Day after the Execution Date, Sellers will file with the Bankruptcy Court a motion to approve the Sale Order. Sellers shall take such actions as may be reasonably necessary to (i) obtain entry of the Sale Order and (ii) consummate the Transactions, in each case, in accordance with this Agreement and such other related actions upon Buyer's reasonable written request.

(b) Each Seller and Buyer acknowledge that this Agreement and the sale of the Assets and assumption and assignment of the Purchased Contracts are subject to Bankruptcy Court

approval. Each Seller and Buyer acknowledge that (i) to obtain such approval and to satisfy Sellers' fiduciary duties to all applicable stakeholders in accordance with Applicable Law, each Seller must demonstrate that it has taken reasonable steps to obtain the highest or otherwise best offer possible for the Assets, and that such demonstration shall include giving notice of the Transactions to creditors and other interested parties as ordered by the Bankruptcy Court, (ii) Buyer must provide adequate assurance of future performance as may be required under section 365 of the Bankruptcy Code with respect to the Purchased Contracts, and (iii) to the extent such adequate assurance of future performance is not provided with respect to an Purchased Contract, then such Purchased Contract will be excluded from the Assets and included in the Excluded Assets.

(c) In the event an objection is filed, an appeal is taken or a stay pending appeal is requested, from either the Bid Procedures Order, the Sale Order or any other order reasonably necessary in connection with the Transactions, as applicable, Sellers shall promptly notify Buyer of such objection, appeal or stay request and shall provide to Buyer promptly a copy of the related objection, notice of appeal or order of stay. Sellers shall also provide Buyer with written notice of any motion or application filed in connection with an objection or any appeal from either of such orders and Sellers agree to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion and Buyer shall cooperate in such efforts.

(d) From and after the Execution Date and until the Closing, no Seller shall take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Bid Procedures Order. Sellers shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order or this Agreement.

(e) From and after the Execution Date and until the Closing, to the extent reasonably practicable under the circumstances, Sellers shall make reasonable efforts to consult and cooperate with Buyer regarding (i) any pleadings, motions, notices, statements, applications, schedules, reports or other papers to be filed with the Bankruptcy Court in relation to the implementation of the Transactions and will use reasonable efforts to share drafts of any such pleadings, motions, notices, statements, applications, schedules, reports or other papers at least one (1) Business Day in advance of filing with the Bankruptcy Court and file such documents in a form and substance reasonably acceptable to Buyer, (ii) any discovery taken in connection with the seeking entry of the Sale Order (including any depositions) and (iii) any hearing relating to the Sale Order, including the submission of any evidence, including witnesses testimony, in connection with such hearing.

(f) Buyer acknowledges and agrees that from the Execution Date until the termination of this Agreement in accordance with its terms, Sellers and their respective Affiliates and Representatives shall be permitted to take such actions as permitted under the Bid Procedures Order with respect to an Alternative Transaction and may take any other affirmative action to cause, promote or assist with an Alternative Transaction not otherwise prohibited under the Bid Procedures Order and the taking of such actions shall not be deemed a breach by Sellers of this Agreement. Without limiting the foregoing, until the Sale Order has been entered, Sellers may,

directly or indirectly through Representatives of Sellers, (i) solicit inquiries, proposals or offers from Third Parties (a “Potential Bidder”) for the Assets (and negotiate the terms of such proposals or offers) in connection with any Alternative Transaction, (ii) engage in discussions and negotiations regarding an Alternative Transaction with any Potential Bidder and any Potential Bidder’s Representatives in accordance with or as otherwise permitted under the Bid Procedures Order in connection with the solicitation of one or more proposals relating to an Alternative Transaction, (iii) enter into any agreement or letter-of-intent with respect to any Alternative Transaction and (iv) furnish to any Potential Bidder and its Representatives public or non-public information relating to any Seller and afford to any such Potential Bidder access to any properties, assets, books or records of any Seller or the business of Sellers.

(g) Without limiting the requirements of Section 7.02(a) through Section 7.02(f), from and after the Execution Date until the Closing, Sellers and the Buyer agree to:

(i) support and take all steps reasonably necessary and desirable to consummate the Transactions in accordance with this Agreement;

(ii) to the extent any legal or structural impediment arises that would prevent, hinder or delay the consummation of the Transactions, support and take all steps reasonably necessary and desirable to address any such impediment;

(iii) negotiate in good faith and use commercially reasonable efforts to execute and deliver the definitive documents and any other required agreements to effectuate and consummate the Transactions; and

(iv) consult and negotiate in good faith with material stakeholders and their advisors regarding the execution of definitive documents and the implementation of the Transactions.

(h) Notwithstanding anything to the contrary in this Agreement, including this Section 7.02, each Sellers’ obligations hereunder are subject in all respects to its obligations as a debtor in possession, including its fiduciary obligations to its bankruptcy estate, and nothing in this Agreement shall require any manager, director or officer of a Seller to violate their fiduciary duties to such Seller or its estate. No action or inaction on the part of any manager, director or officer of a Seller that such manager, director or officer reasonably believes is required by their fiduciary duties to such Seller shall be limited or precluded by this Agreement; *provided, however*, that no such action or inaction shall be deemed to prevent Buyer from exercising any termination rights it may have hereunder as a result of such action or inaction.

(i) The Deposit Escrow Funds shall be applied as provided in this Agreement or returned to Buyer in accordance with this Agreement and the Bid Procedures. Any instructions provided by Sellers to the Escrow Agent in respect of the Deposit Escrow Funds shall be consistent with this Agreement and the Bid Procedures.

Section 7.03 Public Announcements. Sellers and Buyer agree that, prior to Closing, the consent (as to both form and content), not to be unreasonably withheld, of the other Party shall be obtained in writing prior to issuing any press release or making any public statement with respect to this Agreement or the other Transaction Documents or the Transactions, except to



the extent that such press release or other public announcement is required in connection with the Bid Procedures Order or by Applicable Law; *provided* that Sellers shall be permitted to issue a press release or make a public announcement upon the execution of this Agreement to announce such execution of this Agreement and will provide Buyer with a copy of such press release or public announcement in advance of its release and provide Buyer with a reasonable opportunity to comment on the same. From the Closing until one month after the Closing, Buyer and Resources will provide each other a copy of any press release or other public announcement with respect to this Agreement, the other Transaction Documents or the Transactions that Buyer or Resources proposes to issue or make in advance of its release and provide the other with a reasonable opportunity to comment on the same, except to the extent that such press release or other public announcement is required by Applicable Law and such prior notice is not practicable given the circumstances giving rise to the requirement to issue such release.

Section 7.04 *Confidentiality.*

(a) The Parties acknowledge that Buyer (or its Affiliates) and Resources previously executed the Confidentiality Agreement. Notwithstanding anything to the contrary in the Confidentiality Agreement, to the extent of any conflict between the provisions of the Confidentiality Agreement and the terms hereof, the terms hereof shall prevail. The Parties acknowledge and understand that this Agreement will be filed with the Bankruptcy Court and may be made available by Sellers to Potential Bidders as contemplated by the Bid Procedures Order. The Parties agree that such disclosure shall not be deemed to violate any confidentiality obligations owing to any Party, whether pursuant to this Agreement, the Confidentiality Agreement or otherwise. Notwithstanding the foregoing, this Section 7.04 shall not in any way limit, to the extent required by Applicable Law, the disclosure of information by Sellers or their Affiliates in connection with the administration of the Bankruptcy Cases, pursuant to any provision of the Bankruptcy Code or any order of the Bankruptcy Court.

(b) On the Closing Date, the Confidentiality Agreement shall be deemed amended to terminate, waive and render of no further force or effect, any confidentiality or disclosure restrictions or other restrictions on Recipient (as defined therein) applicable to the Assets. For the avoidance of doubt, all of the terms and conditions of the Confidentiality Agreement shall remain in full force and effect except to the extent amended by the preceding sentence.

Section 7.05 *Audits and Other Tax Proceedings.* Resources shall control the conduct of any audit, litigation or other administrative or judicial proceeding with respect to Taxes of Sellers for any Seller Tax Period, and Resources and Buyer shall jointly control the conduct of any such proceedings for Non-Income Taxes for any Straddle Period (each, a "Tax Proceeding"). Buyer shall promptly provide Resources with notice regarding the commencement of any Tax Proceeding and shall cooperate fully as and to the extent reasonably requested by Resources in connection therewith. For the avoidance of doubt, Buyer shall not enter into any settlement or agreement of compromise with respect to any proceeding with respect to any Seller Tax Period or any Tax Proceeding without the prior written consent of Resources; *provided, however* that, in the case of a Tax Proceeding, such approval may not be unreasonably withheld, conditioned or delayed.

Section 7.06 *[Reserved]*Section 7.07 *Tax Matters; Apportionment of Tax Liability.*

(a) Non-Income Taxes. All Non-Income Taxes (and any refunds thereof, if received by the Final Settlement Date) with respect to the Assets attributable to the period before the Effective Time shall be for Sellers' account and all Non-Income Taxes (and any refunds thereof) with respect to the Assets attributable to the period after and including the Effective Time shall be for Buyer's account. All real estate, personal property, and similar ad valorem Taxes (and any refunds thereof, if received by the Final Settlement Date) with respect to the Assets assessed with respect to the Assets for 2020 shall be prorated based on the number of full days in such period that occur before the Effective Time, on the one hand, and the number of days in such period that occur on or after the Effective Time, on the other hand. All Non-Income Taxes (and any refunds thereof) attributable to the production of Hydrocarbons shall be deemed attributable to the period during which such production occurred. All other Non-Income Taxes (and refunds thereof, if received by the Final Settlement Date) with respect to the Assets shall be allocated between Sellers and Buyer as though the 2020 taxable period ended as of the close of business on the day before the Effective Time, and all such Non-Income Taxes (and any refunds thereof, if received by the Final Settlement Date) with respect to the Assets attributable to taxable periods ending as of the close of business on the day before the Effective Time shall be for Sellers' account and all such Non-Income Taxes (and any refunds thereof) with respect to the Assets attributable to taxable periods beginning on or after the Effective Time shall be for Buyer's account. The apportionment of Non-Income Taxes (and any refunds thereof, to the extent received by the Final Settlement Date) with respect to the Assets between the Parties shall take place in the Closing Statement and the Final Settlement Statement using estimates of such Non-Income Taxes (and any refunds thereof, to the extent received by the Final Settlement Date) if actual numbers are not available.

(b) Tax Returns. Sellers agree to file all Tax Returns applicable to the Assets that become due prior to the Closing Date, and Buyer agrees to file all other Tax Returns applicable to the Assets. The Party not filing the Tax Return agrees to provide the filing party with appropriate information that is necessary to file any required Tax Returns. The Party filing a Tax Return for a taxable period beginning before the Effective Time and ending after the Effective Time shall provide the other Party with a copy of such Tax Return at least fifteen (15) days prior to the due date thereof for such Party's review and comment. Buyer agrees to pay all required Taxes payable with respect to the Assets subject to the provisions hereof.

(c) Transfer Taxes. Sellers shall be liable for fifty percent (50%), on the one hand, and Buyer shall be liable for fifty percent (50%), on the other hand, of any sales, use, transfer, documentary, stamp, registration or similar Taxes due as a result of the transfer of the Assets pursuant to this Agreement ("Transfer Taxes"). Buyer and Sellers shall, in accordance with Applicable Law, calculate and remit any Transfer Taxes that are required to be paid as a result of the transfer of the Assets to Buyer. If any Party receives notice that any Transfer Taxes are due, such Party shall promptly forward a copy of such notice to the other Parties. Buyer and Sellers shall reasonably cooperate in timely making all filings, returns, reports and forms as necessary or appropriate to comply with the provisions of all applicable Laws in connection with the payment of Transfer Taxes, and shall cooperate in good faith to minimize the amount of any Transfer Taxes.

(d) Purchase Price Allocation. Buyer shall provide to Sellers a statement (the “Allocation”) allocating the Purchase Price, Assumed Liabilities and any other items that are treated as additional consideration for Tax purposes among the Assets in accordance with section 1060 of the Code and the Treasury regulations promulgated thereunder within ninety (90) days after the Closing Date. Such allocation shall become conclusive and binding on the Parties fifteen (15) days after timely delivery by Buyer unless a Seller objects in writing to the Allocation. If a Seller objects, the Parties shall use commercially reasonable efforts to resolve any disputes within fifteen (15) days after Buyer’s receipt of written notice of such Seller’s objection. Any unresolved disputes shall be submitted to the Referee or an accounting firm selected pursuant to the procedures in Section 2.06(d) (the “Accounting Firm”). The resolution of the dispute by the Accounting Firm shall be conclusive and binding on all Parties and the Allocation shall be updated to reflect such resolution. Sellers and Buyer shall use commercially reasonable efforts to update the Allocation in a manner consistent with section 1060 of the Code following any adjustment to the Purchase Price pursuant to this Agreement. Sellers and Buyer shall, and shall cause their Affiliates to, report consistently with the Allocation, as adjusted, in all Tax Returns, including IRS Form 8594, which Buyer and Sellers shall file with the Internal Revenue Service or any other Governmental Authority and neither Sellers nor Buyer shall take any position in any such Tax Return that is inconsistent with the Allocation, as adjusted, in each case, unless required to do so by a determination as defined in section 1313(a) of the Code. Sellers and Buyer agree to promptly advise each other regarding the existence of any tax audit, controversy or litigation related to the Allocation.

(e) Access. Buyer and Sellers shall each furnish or cause to be furnished to the other party or their Representatives, upon request, as promptly as practicable, such information (to the extent such information is in their possession) and assistance relating to the Assets or any operations relating thereto as is reasonably necessary for the filing of all Tax Returns (including any information returns) and the preparation for, or the prosecution or defense of, any Tax claim with respect to any taxable period beginning prior to the Closing Date; *provided* that, nothing in this Section 7.07(e) shall (x) require any Seller to be a going concern or otherwise remain in existence for any period after the Closing or (y) prohibit any Seller from liquidating and dissolving at any time after the Closing and, upon such liquidation and dissolution, such Seller shall no longer be obligated to perform the covenants set forth in this Section 7.07(e).

Section 7.08 Supplemental Disclosures. Prior to the Closing, Sellers shall have the right to supplement or amend the Disclosure Schedules relating to the representations and warranties of Sellers set forth in Article III with respect to any matter hereafter arising which, if existing (or in the case of any representation or warranty qualified by Sellers’ Knowledge, known) at the Execution Date, would have been required to be set forth or described in Sellers’ Disclosure Schedules. In the event that Sellers supplement or amend their Disclosure Schedules pursuant to the preceding sentence, Sellers shall deliver a copy of the amendment or supplement (in either case, the “Supplemental Disclosure”) to Buyer. For all purposes of this Agreement, the Disclosure Schedules to Sellers’ representations and warranties shall be deemed to include only that information contained therein on the date of execution of this Agreement and shall be deemed to exclude all information contained in any addition, supplement or amendment thereto; *provided, however*, that if (i) a Supplemental Disclosure discloses facts that would constitute a breach of Sellers’ representations and warranties hereunder and such breach would result in the failure of Buyer’s condition to Closing specified in Section 8.02(b) to be satisfied at the Closing and Buyer

would have the right to terminate this Agreement pursuant to Section 9.01(d)(ii) as a result of such breach, and (ii) Buyer nevertheless elects to proceed with Closing notwithstanding (and with knowledge of) such breach, then the matters disclosed pursuant to such addition, supplement or amendment shall be waived, and Buyer shall not be entitled to make a claim with respect thereto pursuant to the terms of this Agreement or otherwise.

Section 7.09 *Replacement of Existing Letters of Credit.* The Parties acknowledge that none of the Existing Letters of Credit, if any, posted by Sellers with Governmental Authorities and relating to the Assets are to be transferred to Buyer. On or before Closing, Buyer shall endeavor to obtain, or cause to be obtained in the name of Buyer, replacements (whether such replacements be letters of credit, bonds, guarantees or other form of security acceptable to such Governmental Authorities) for such Existing Letters of Credit as necessary to permit, and shall use commercially reasonable efforts to cooperate with Sellers to cause, the cancellation of the Existing Letters of Credit at Closing and the release to Sellers of all cash or cash equivalent deposits of Sellers with respect to such Existing Letters of Credit. Buyer may also provide evidence that such replacements are not necessary as a result of existing bonds, letters of credit or guarantees that Buyer has previously posted as long as such existing bonds, letters of credit or guarantees are adequate to secure the cancellation of the Existing Letters of Credit and the release to Sellers of all cash or cash equivalent deposits of Sellers with respect to such Existing Letters of Credit at Closing.

## ARTICLE VIII CONDITIONS TO CLOSING

Section 8.01 *Conditions to Obligations of Buyer and Sellers.* The obligations of Buyer and Sellers to consummate the Closing are subject to the satisfaction (or, in the case of clauses (b) and (c) of this Section 8.01, waiver by each to the extent permitted under Applicable Law) of each of the following conditions:

- (a) no Applicable Law shall prohibit the Transactions or the consummation of the Closing;
- (b) all actions by or in respect of or filings with any Governmental Authority required to permit the consummation of the Closing shall have been taken, made or obtained (other than those actions or filings that are customarily obtained after the Closing); and
- (c) no injunction, order, decree or judgment of any Governmental Authority of competent jurisdiction instituted by any Person (other than a Party or such Party's Affiliates) shall be pending or in effect which prohibits, restrains, enjoins or declares illegal the consummation of the Transactions; *provided* that the Party seeking to rely on this Section 8.01(c) as a basis not to consummate the Closing must have used commercially reasonable efforts to prevent the entry of such injunction, order, decree or judgment.

Section 8.02 *Conditions to Obligation of Buyer.* The obligation of Buyer to consummate the Closing is subject to the satisfaction (or waiver by Buyer) of each of the following further conditions:

(a) (i) each Seller shall have performed in all material respects all of its covenants and other obligations hereunder required to be performed by it on or prior to the Closing Date and (ii) the representations and warranties of Sellers set forth in Article III of this Agreement shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of the Closing Date, other than those representations and warranties that are made as of a specific earlier date which representations and warranties need not be true and correct as of the Closing Date but must be true and correct in all material respects as of such specific earlier date (*provided*, that, in each case, for purposes of this Section 8.02(a)(ii), in determining whether such representations and warranties are true and correct in all material respects, all qualifications in such representations or warranties as to “material” or “in all material respects,” or similar materiality qualifiers shall be disregarded);

(b) the Sale Order shall have been entered by the Bankruptcy Court and such order shall be a Final Order and in full force and effect; and

(c) Sellers shall have delivered, or be ready willing and able to deliver at Closing, each of the items required by Section 2.05(c) to be delivered by Sellers at the Closing.

Section 8.03 *Conditions to Obligation of Sellers.* The obligation of Sellers to consummate the Closing is subject to the satisfaction (or waiver by Sellers) of the following further conditions:

(a) (i) Buyer shall have performed in all material respects all of its covenants and other obligations hereunder required to be performed by it on or prior to the Closing Date and (ii)(A) the representations and warranties of Buyer set forth in Article IV of this Agreement, shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of the Closing Date, other than those representations and warranties that are made as of a specific earlier date which representations and warranties need not be true and correct as of the Closing Date but must be true and correct in all material respects as of such specific earlier date (*provided*, that, in each case, for purposes of this Section 8.03(a)(ii), in determining whether such representations and warranties are true and correct in all material respects, all qualifications in such representations or warranties as to “material” or “in all material respects,” or similar materiality qualifiers shall be disregarded);

(b) the Sale Order shall have been entered by the Bankruptcy Court and each such order shall be a Final Order and in full force and effect; and

(c) Buyer shall have delivered, or be ready willing and able to deliver at Closing, each of the items required by Section 2.05(d) to be delivered by Buyer at the Closing, and made each of the payments required by Section 2.05(e) to be made by Buyer at the Closing.

## ARTICLE IX TERMINATION

Section 9.01 *Grounds for Termination.* This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of Sellers and Buyer;

(b) by Sellers upon written notice to Buyer or by Buyer upon written notice to Sellers if the Closing shall not have been consummated on or before December 31, 2020 (the “End Date”), unless extended by mutual written agreement of the Parties;

(c) by Sellers upon written notice to Buyer or by Buyer upon written notice to Sellers if:

(i) a Governmental Authority of competent jurisdiction shall have issued an order, injunction or judgment or law that permanently restrains, prohibits, enjoins or declares illegal the transactions contemplated by this Agreement and such order, injunction or judgment becomes final and non-appealable; or

(ii) the Bankruptcy Court enters an order dismissing, or converting to a case under chapter 7 of the Bankruptcy Code, the Chapter 11 Cases, *provided* that neither Sellers nor Buyer shall request, encourage or support such an order;

(d) by Buyer upon written notice by Buyer to Sellers if:

(i) the Bankruptcy Court shall have approved any Alternative Transaction or Sellers shall have entered into any definitive agreement with respect to any Alternative Transaction which agreement has been approved by the Bankruptcy Court;

(ii) a Seller has breached any of its representations, warranties, covenants or other obligations contained in this Agreement that has (A) resulted in the failure of a condition set forth in Section 8.02 to be satisfied as of the Scheduled Closing Date, (B) not been waived in writing by Buyer, and (C) solely to the extent such breach is capable of being cured, following written notice thereof from Buyer to Sellers specifying the reason such condition is unsatisfied, remained uncured for a period of ten (10) Business Days after Sellers’ receipt of such written notice from Buyer; or

(iii) any condition set forth in Section 8.01 or Section 8.02 that has not been waived by Buyer shall have become incapable of being satisfied by the End Date.

*provided* that each deadline set forth in clauses (i) and (ii) of this Section 9.01(d) shall be subject to the Bankruptcy Court’s docket, and accordingly, (A) shall be deemed extended through the date of the hearing set by the Bankruptcy Court for consideration of the applicable pleading if, after using commercially reasonable efforts, Sellers are unable to obtain a docket setting for such hearing prior to such deadline, (B) shall be deemed extended through the date(s) of any continued hearing set by the Bankruptcy Court for consideration of such pleading if, after using reasonable efforts, Sellers are unable to conclude such hearing(s) prior to such deadline and (C) shall be deemed extended as required to comply with any notice periods required under the Bankruptcy Code which, as a result of any extensions described under the foregoing clauses (A) and (B), cannot be complied with prior to such deadline; or

(e) by Sellers upon written notice by Sellers to Buyer if:

(i) the Bankruptcy Court shall have approved any Alternative Transaction or Sellers shall have entered into any definitive agreement with respect to any Alternative Transaction;

(ii) Buyer has breached any of its representations, warranties, covenants or other obligations contained in this Agreement that has (A) resulted in the failure of a condition set forth in Section 8.03 to be satisfied as of the Scheduled Closing Date, (B) not been waived in writing by Sellers, and (C) solely to the extent such breach is capable of being cured, following written notice thereof from Sellers to Buyer specifying the reason such condition is unsatisfied, remained uncured for a period of ten (10) Business Days after Buyer's receipt of such written notice from Sellers;

(iii) any condition set forth in Section 8.01 or Section 8.03 that has not been waived by Sellers shall have become incapable of being satisfied by the End Date; or

(iv) Buyer shall not have deposited the Deposit Escrow Funds in the Deposit Escrow Account within one (1) Business Day after the date of execution of this Agreement by all Parties.

Notwithstanding the foregoing, (x) Sellers shall not be permitted to terminate this Agreement pursuant to this Section 9.01 if Sellers are in breach of any of their representations and warranties or shall have failed to perform or comply with any of their covenants and agreements such that either (A) the condition to closing set forth Section 8.02(a) shall not be satisfied or (B) such breach or failure to perform or comply by Sellers is the primary cause of the occurrence of any event giving Sellers a right to terminate this Agreement or the failure of the Closing to have occurred, and (y) Buyer shall not be permitted to terminate this Agreement pursuant to this Section 9.01 if Buyer is in breach of its representations and warranties or shall have failed to perform or comply with any of its covenants and agreements such that either (A) the condition to closing set forth in Section 8.03(a) shall not be satisfied or (B) such breach or failure to perform or comply by Buyer is the primary cause of the occurrence of any event giving Buyer a right to terminate this Agreement or the failure of the Closing to have occurred.

#### Section 9.02 *Effect of Termination.*

(a) If this Agreement is terminated pursuant to any provision of Section 9.01, then, except for the provisions of Section 5.04(d), Section 7.04, this Section 9.02 and Article XIV and such of the defined terms on Exhibit A necessary to give context to the surviving provisions, this Agreement shall forthwith become void and the Parties shall have no liability or obligation hereunder.

(b) If Sellers are entitled to terminate this Agreement pursuant to (i) Section 9.01(e)(ii) or (ii) Section 9.01(b) and, in the case of clause (ii), (A) Buyer is then in Willful Breach of this Agreement, or (B) Buyer has failed to close in the instance where, as of the End Date, (1) all of the conditions in Section 8.01 and Section 8.02 (in each case excluding conditions that, by their terms, cannot be satisfied until the Closing) have been satisfied by Sellers (or waived by Buyer), (2) each Seller is ready, willing and able to perform its obligations under Section 2.05(c),

and (3) Buyer nevertheless fails to close, then, in each such event, Sellers shall be entitled to, at their option (x) obtain specific performance in lieu of termination or (y) terminate this Agreement and receive a distribution of the Deposit Escrow Funds (or if Buyer terminates this Agreement pursuant to Section 9.01(b) at a time when Sellers had the right to terminate this Agreement and receive a distribution of the Deposit Escrow Funds pursuant to this Section 9.02(b), Sellers shall be entitled to a distribution of the Deposit Escrow Funds) as liquidated damages for such termination (the Parties agree that the foregoing liquidated damages are reasonable considering all of the circumstances existing as of the Execution Date, shall not serve as a penalty and constitute the Parties' good faith estimate of the actual damages reasonably expected to result from such termination of this Agreement by Sellers). Nothing herein shall be construed to prohibit Sellers from first seeking specific performance in accordance with the penultimate sentence of this Section 9.02(b) but thereafter terminating this Agreement and receiving a distribution of the Deposit Escrow Funds as liquidated damages in lieu of fully prosecuting its claim for specific performance. Each Party acknowledges that the remedies at law of Sellers for a breach or threatened breach of this Agreement by Buyer as contemplated pursuant to this Section 9.02(b) may be inadequate and, in recognition of this fact, Sellers, without posting any bond or the necessity of proving the inadequacy as a remedy of monetary damages, and in addition to all other remedies that may be available, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy that may then be available. If at any time Sellers are entitled to receive a distribution of the Deposit Escrow Funds pursuant to this Section 9.02(b), Sellers shall promptly deliver written instructions to the Escrow Agent and Buyer instructing the Escrow Agent to distribute to Sellers all of the Deposit Escrow Funds.

(c) If Buyer is entitled to terminate this Agreement pursuant to (i) Section 9.01(d)(ii) or (ii) Section 9.01(b) and, in the case of clause (ii), (A) Seller is then in Willful Breach of this Agreement, or (B) Seller has failed to close in the instance where, as of the End Date, (1) all of the conditions in Section 8.01 and Section 8.03 (in each case excluding conditions that, by their terms, cannot be satisfied until the Closing) have been satisfied by Buyer (or waived by Sellers), (2) Buyer is ready, willing and able to perform its obligations under Section 2.05(d) and Section 2.05(e), and (3) Sellers nevertheless fail to close, then, Buyer shall be entitled to seek specific performance in lieu of termination, without the necessity of proof of actual damages or posting a bond.

(d) If this Agreement is terminated prior to the Closing by Sellers or by Buyer pursuant to Section 9.01 other than under the circumstances described in Section 9.02(b) within two (2) Business Days after such termination, Sellers shall promptly deliver written instructions to the Escrow Agent and Buyer instructing the Escrow Agent to distribute to Buyer all of the Deposit Escrow Funds and Buyer shall be entitled to seek specific performance of Seller's obligation to deliver such written instructions without the necessity of proof of actual damages or posting a bond.

(e) Except as expressly set forth in this Section 9.02, upon the termination of this Agreement, neither Party shall have any other liability or obligation hereunder, and Sellers shall be free to immediately enjoy all rights of ownership of the Assets and to sell, transfer, encumber or otherwise dispose of the Assets to any Person without any restriction under this Agreement.



**ARTICLE X  
CASUALTY LOSS**

Section 10.01 *Casualty Loss.*

(a) Notwithstanding anything herein to the contrary, Buyer shall assume all risk of loss with respect to the Assets from and after the Effective Time, including with respect to (i) production of Hydrocarbons through normal depletion (including watering out of any Well, collapsed casing or sand infiltration of any Well) and (ii) the depreciation of any Asset due to ordinary wear and tear.

(b) As used herein, the term “Casualty Loss” means any destruction by fire, blowout, storm or other casualty or any taking in condemnation or expropriation or under the right of eminent domain, in each case with respect to all or any material portion of the Oil and Gas Properties to the extent such destruction or taking occurred during the Interim Period. If any Asset suffers a Casualty Loss during the Interim Period, notwithstanding such Casualty Loss Buyer shall acquire all Assets that suffer such Casualty Loss; *provided* that, if any one or more Assets suffer Casualty Loss in an amount equal to or exceeding an amount equal to or greater than \$250,000, the Purchase Price shall be reduced at Closing by the aggregate amount necessary to repair or restore the affected Asset(s) to its condition prior to such Casualty Loss. If any Asset suffers a Casualty Loss during the Interim Period in an amount less than \$250,000, then notwithstanding such Casualty Loss Buyer shall acquire all Assets that suffer such Casualty Loss and all rights to receive all unpaid insurance proceeds, claims, awards and other payments arising out of such Casualty Loss, and reduce the Purchase Price by an amount equal to all sums paid to Sellers or their Affiliates prior to Closing as insurance proceeds, awards or other payments arising out of such Casualty Loss and Sellers shall not voluntarily compromise, settle or adjust any amounts payable by reason of any Casualty Loss without first obtaining the written consent of Buyer; *provided, however*, that Sellers shall reserve and retain (and Buyer shall assign to Sellers) all rights, title, interests and claims against Third Parties for the recovery of Sellers’ costs and expenses incurred prior to the Closing in pursuing or asserting any such insurance claims or other rights against Third Parties with respect to any such Casualty Loss.

**ARTICLE XI  
RESERVED**

**ARTICLE XII  
RESERVED**

**ARTICLE XIII  
SURVIVAL AND INDEMNIFICATION**

Section 13.01 *Survival; Limited Recourse Against Sellers.*

(a) The representations and warranties of Sellers and Buyer contained herein and in any certificate or other writing delivered by Sellers or Buyer, as applicable, pursuant hereto shall terminate upon and not survive the Closing and, except for actual intentional fraud, there shall be no liability (whether arising in contract, tort or otherwise, or whether at law or in equity, and regardless of the legal theory under which any entitlement, remedy or recourse may be sought

or imposed (including all rights afforded by any statute which limits the effects of a release with respect to unknown claims)) thereafter in respect thereof; *provided*, that (i) the Special Warranty shall survive the Closing until the Cut-Off Date and (ii) the representations and warranties of Buyer set forth in Section 4.10 shall survive the Closing without limit. Each of the covenants of Sellers and Buyer contained in this Agreement shall terminate upon the Closing except to the extent that performance under such covenant is to take place after Closing, in which case such covenant shall survive the Closing until the earlier of (A) performance of such covenant in accordance with this Agreement or (B)(i) if time for performance of such covenant is specified in this Agreement, thirty (30) days following the expiration of the time period for such performance or (ii) if time for performance of such covenant is not specified in this Agreement, the expiration of applicable statute of limitations with respect to any claim for any failure to perform such covenant. The intended effect of termination of representations, warranties, covenants and agreements is to bar, from and after the date of termination, any claim or cause of action based on (x) the alleged inaccuracy of such representation or breach of such warranty or (y) such alleged breach or failure to fulfill such covenant or agreement; *provided* that if a written notice of any claim with respect to any covenant to be performed after Closing is given by a Party to the other Party prior to the expiration of such covenant then such covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

(b) Subject to Section 9.02, until such time as the Parties' respective representations, warranties, covenants and agreements terminate, as set forth in Section 13.01(a), each Party shall be entitled to seek all available legal or equitable remedies, including monetary damages, whether arising in contract, tort or otherwise, or whether at law or in equity, and regardless of the legal theory under which any entitlement, remedy or recourse may be sought or imposed. Following the date of termination of each Parties' respective representations, warranties, covenants and agreements contained herein, except for actual intentional fraud, no Party shall be entitled to any recourse against any other Party (the "Breaching Party") or any of such Breaching Party's Affiliates or their respective lenders or creditors from and after Closing for any losses, liabilities, obligations, damages, costs and expenses relating to the Assets or this Agreement (including title and environmental matters) or such Breaching Party's breach of any representations and warranties, covenants or other provision of this Agreement, subject to such non-Breaching Party's rights under Section 14.11 with respect to those covenants of such Breaching Party the performance of which is to take place after Closing, as contemplated by Section 13.01(a).

(c) Subject to Section 13.01(a), the remainder of this Agreement shall survive the Closing without time limit. Representations, warranties, covenants, obligations and agreements of each Party shall be of no further force and effect after the date of their expiration as set forth in Section 13.01(a). For the avoidance of doubt, nothing in this Agreement shall prohibit Sellers from ceasing operations or winding up its affairs following the Closing.

Section 13.02 *[Reserved]*.

Section 13.03 *[Reserved]*.

Section 13.04 *[Reserved]*.

Section 13.05 *[Reserved]*.

Section 13.06 *Sole and Exclusive Remedy*. Except for the post-Closing payments contemplated in Section 2.07 and the Special Warranty, the remedies provided in this Article XIII and Section 14.11 shall be the sole and exclusive legal and equitable remedies of the Parties, from and after the Closing, with respect to this Agreement and the transactions contemplated hereby, and no Person will have any other entitlement, remedy or recourse, whether in contract, tort or otherwise, or whether at law or in equity, and regardless of the legal theory under which such entitlement, remedy or recourse may be sought or imposed (including all rights afforded by any statute which limits the effects of a release with respect to unknown claims), it being agreed that all of such other remedies, entitlements and recourse are expressly waived and released by the Parties to the fullest extent permitted by law. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of any Party or any of their Affiliates shall have any liability for any obligations or liabilities of such Party under this Agreement of or for any Claim based on, in respect of, or by reason of, the transactions contemplated hereby.

#### **ARTICLE XIV MISCELLANEOUS**

Section 14.01 *Notices*. All notices and communications which are required or may be given to a Party hereunder shall be in writing, addressed as indicated below and shall be deemed to have been duly given upon the earliest of: (a) if by personal delivery, then the date of delivery if such date is a Business Day during normal business hours, or, if such date is not a Business Day during normal business hours, then the next Business Day, (b) if sent by U.S. certified mail, postage prepaid, return receipt requested, then the date shown as received on the return notice, (c) if sent by email, with delivery receipt to sender or upon an affirmative reply by email by the intended recipient that such email was received, or (d) if by Federal Express overnight delivery (or other reputable overnight delivery service), the date shown on the notice of delivery if such date is a Business Day during normal business hours, or, if such date is not a Business Day during normal business hours, then on the next Business Day:

if to Buyer, to:

c/o Crimson Energy Partners IV  
420 Commerce Street, Suite 200  
Fort Worth, Texas 76102  
Attention: Will Kiker  
Email: [wkiker@crimsonenergy.com](mailto:wkiker@crimsonenergy.com)

with a copy to:

Kirkland & Ellis LLP  
1601 Elm Street  
Dallas, Texas 75201  
Attention: Thomas Laughlin  
Email: [thomas.laughlin@kirkland.com](mailto:thomas.laughlin@kirkland.com)

if to Sellers, to:

c/o Gavilan Resources Holdings, LLC  
920 Memorial City Way, Suite 1400  
Houston, Texas 77024  
Attention: General Counsel  
Email: john.zabaneh@gavilanresources.com

with a copy to:

Weil, Gotshal & Manges LLP  
200 Crescent Court, Suite 300  
Dallas, Texas 75201  
Attention: Rodney L. Moore  
Samuel C. Peca  
Email: rodney.moore@weil.com  
samuel.peca@weil.com

The Parties may change the identity, address and email addresses to which such communications are to be addressed by giving written notice to the other Parties in the manner provided in this Section 14.01.

*Section 14.02 Amendments and Waivers.*

(a) Any provision of this Agreement may be amended or waived if but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party to this Agreement, or in the case of a waiver, by the Party against whom the waiver is to be effective.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

*Section 14.03 Expenses.* Except as otherwise expressly provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the Party incurring such cost or expense.

*Section 14.04 Successors and Assigns/Liquidating Trust.*

(a) Subject to Section 14.04(b), the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; *provided* that neither Party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement, in whole or in part, by operation of law or otherwise, without the prior written consent of each other Party hereto; *provided, however*, that Sellers may assign their respective rights and obligations under this Agreement to any liquidating trust or other

representative of Sellers created or appointed pursuant to a Bankruptcy Court order; and *provided*, further, that Buyer may assign its rights and obligations under this Agreement to an Affiliate or Subsidiary, *provided* that no such transfer or assignment will release Buyer of its obligations hereunder or enlarge, alter or change any obligation of Sellers to Buyer.

(b) If a Liquidating Trust is established, from and after the formation of the Liquidating Trust all rights and obligations of Sellers under this Agreement shall accrue to and be for the benefit of and shall be exercisable by the Liquidating Trust, as provided by any order of the Bankruptcy Court and the Liquidating Trustee shall be entitled to exercise all of the rights of Sellers under this Agreement.

Section 14.05 *Governing Law*. EXCEPT TO THE EXTENT THE MANDATORY PROVISIONS OF THE BANKRUPTCY CODE APPLY, THIS AGREEMENT, THE TRANSACTION DOCUMENTS, AND ANY OTHER DOCUMENT OR INSTRUMENT DELIVERED PURSUANT HERETO, AND ALL CLAIMS OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT) THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE TO THIS AGREEMENT OR THE NEGOTIATION, EXECUTION, TERMINATION, PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ANY CONFLICTS OF LAW OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION.

Section 14.06 *Jurisdiction*. Each Party agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contained in or contemplated by this Agreement and the Transaction Documents (whether in contract or tort), exclusively in (a) the Bankruptcy Court so long as the Bankruptcy Cases remain open and (b) after the close of the Bankruptcy Cases, or in the event that the Bankruptcy Court determines that it does not have jurisdiction, the United States District Court for the Southern District of Texas or any Texas State court sitting in Houston, Texas (together with the Bankruptcy Court, the “Chosen Courts”), and solely in connection with claims arising under this Agreement or any other Transaction Document or the Transactions (whether in contract or tort) (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto and (iv) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 14.01.

Section 14.07 *Waiver of Jury Trial*. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 14.08 *Counterparts; Effectiveness; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when all Parties shall have received a counterpart hereof signed

by all of the other Parties. Until and unless all Parties have received a counterpart hereof signed by the other Parties, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the Parties and their respective successors and assigns prior to Closing. From and after the establishment of the Liquidating Trust, the Liquidating Trustee shall be a third party beneficiary of Sellers' rights under this Agreement.

Section 14.09 *Entire Agreement*. This Agreement, the Confidentiality Agreement and the other Transaction Documents constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter hereof and thereof.

Section 14.10 *Severability*. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; and in lieu of each such invalid, void or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such invalid, void or unenforceable provision as may be valid, binding and enforceable.

Section 14.11 *Specific Performance*. Without limiting Sellers' rights under Section 9.02(b) or Buyer's rights under Section 9.02(c), the Parties agree that, from and after Closing, irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Agreement (without posting any bond or other undertaking) or to enforce specifically the performance of the terms and provisions hereof in addition to any other remedy to which they are entitled at law or in equity.

Section 14.12 *Certain Acknowledgements and Limitations*.

(a) Any and all duties and obligations which any Party may have to any other Party with respect to or in connection with this Agreement, the other Transaction Documents or the Transactions are limited to those specifically set forth in this Agreement and the other Transaction Documents. Neither the duties nor obligations of any Party, nor the rights of any Party, shall be expanded beyond the terms of this Agreement and the other Transaction Documents on the basis of any legal or equitable principle or on any other basis whatsoever. Neither any equitable or legal principle nor any implied obligation of good faith or fair dealing nor any other matter requires any Party to incur, suffer or perform any act, condition or obligation contrary to the terms of this Agreement and the other Transaction Documents, whether or not existing and whether foreseeable or unforeseeable. Each of the Parties acknowledges that it would be unfair, and that it does not intend, to increase any of the obligations of the other Party on the basis of any implied obligation or otherwise.

(b) UNDER NO CIRCUMSTANCES SHALL ANY PARTY TO THIS AGREEMENT BE LIABLE FOR ANY EXEMPLARY OR PUNITIVE DAMAGES FOR LIABILITIES ARISING OUT OF ANY ACTUAL, ALLEGED OR INTENTIONAL BREACH OF THIS AGREEMENT.

Section 14.13 *Disclosure Schedules*. All references to Schedules and Disclosure Schedules in Article III of this Agreement refer to Schedules contained in the Disclosure Schedule. The information in the Disclosure Schedule constitutes exceptions, qualifications and/or supplements to particular representations or warranties of Sellers as set forth in this Agreement. The Disclosure Schedule shall not be construed as indicating that any disclosed information is required to be disclosed, and no disclosure shall be construed as an admission that such information is material to, outside the ordinary course of business of, or required to be disclosed by, Sellers. Capitalized terms used in the Disclosure Schedule that are not defined therein and are defined in this Agreement shall have the meanings given to them in this Agreement. The captions contained in the Disclosure Schedule are for the convenience of reference only, and shall not be deemed to modify or influence the interpretation of the information contained in the Disclosure Schedules or this Agreement. The statements in each Schedule of the Disclosure Schedule qualify and relate to the corresponding provisions in the Sections of this Agreement to which they expressly refer and to each other provision in this Agreement to which the applicability of a statement or disclosure in a particular Schedule of the Disclosure Schedule is reasonably apparent on its face.

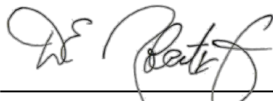
Section 14.14 *Preparation of Agreement*. The Parties and their counsel have reviewed the provisions of this Agreement and have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

[Signature Page Follows]

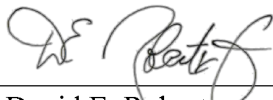
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**SELLERS:**

**GAVILAN RESOURCES, LLC**

By:  \_\_\_\_\_  
Name: David E. Roberts  
Title: Chief Executive Officer

**GAVILAN RESOURCES MANAGEMENT SERVICES, LLC**


By:  \_\_\_\_\_  
Name: David E. Roberts  
Title: Chief Executive Officer



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

**BUYER:**

**CRIMSON RESOURCES LLC**

By:   
Name: FRANK F. STARR II  
Title: CEO

## Exhibit A

(a) *Definitions.*

“1933 Act” means the Securities Act of 1933, as amended, and the rules and regulations as promulgated thereunder.

“365 Contracts” means all Applicable Contracts and other executory contracts and unexpired leases to which a Seller is a party that relate to the Assets, in each case that may be assumed by one or more Sellers pursuant to section 365 of the Bankruptcy Code.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person. For such purposes, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or action of a Person, whether through the ownership of voting securities, voting trust, by contract, membership in management or in the group appointing or electing management or otherwise through formal or informal arrangements or business relationships.

“Allocated Value” means, with respect to any Oil and Gas Property, the value of Sellers’ interest therein as set forth on Schedule 1.01(a). If any Oil and Gas Property is not set forth on Schedule 1.01(a) or, if no value is set forth on Schedule 1.01(a) with respect to such Oil and Gas Property, the Allocated Value of such Oil and Gas Property shall be zero.

“Alternative Transaction” means, other than the Transactions or any transactions effected in the Ordinary Course of Business, any (a) sale, transfer or other disposition, directly or indirectly, of all or substantially all of the assets of Sellers (except any such sale, transfer or other disposition to the extent permitted by Section 5.01(b)), (b) issuance, sale, transfer or other disposition, in each case by any Seller, of any class of equity securities, ownership interests or voting securities of any Seller, (c) merger, consolidation, recapitalization, business combination or other similar transaction involving any Seller, (d) the consummation of any state court foreclosure action as to a material portion of the Assets or (e) successful credit bid transaction with respect to the Assets.

“Applicable Contracts” means (a) all Contracts (*provided* that, for clarity, any “Operating Agreement” or “Joint Operating Agreement” identified on the 365 Schedule shall be deemed a Contract for purposes of this definition) to which a Seller is a party or is bound to the extent covering, attributable to or relating to any of the Assets or to which an Oil and Gas Property is subject or bound, including, without limitation, operating agreements, crude oil, condensate and natural gas purchase and sale agreements, gathering agreements, transportation agreements, marketing, disposal or injection agreements, farmout and farmin agreements, unitization, communitization agreements, exploration agreements, development agreements, area of mutual interest agreements, pooling declarations or agreements, including any forced pooling order executed and delivered by the Railroad Commission of Texas, exchange and processing contracts and agreements, area of mutual interest agreements, exchange and processing contracts and agreements, partnership and joint venture agreements, water supply agreements, saltwater disposal agreements or other waste disposal agreements, facilities and equipment leases, letters of objection, letter agreements, confidentiality agreements and any other similar contracts, agreements and instruments, and all amendments thereto, and (b) all ROW Interests, including

without limitation, in the case of each of clause (a) and clause (b) of this definition, those Contracts and ROW Interests described on Annex C, but exclusive of any Contracts solely to the extent relating to the Excluded Assets.

“Applicable Law” means, with respect to any Person, any federal, state or local law (statutory, common or otherwise), constitution, ordinance, code, rule, regulation, order, determination, directive, ruling, writ, decree, injunction or judgment adopted or promulgated by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“Applicable Schedule 3.06 Consent” means any Consent set forth on Disclosure Schedule 3.06 (a) relating to an Applicable Contract for which the counterparty’s consent to assignment would be required for such Applicable Contract to be assumed and assigned to Buyer, after giving effect to sections 365(c)(1) and 365(f)(1) of the Bankruptcy Code, or (b) that burdens a Lease.

“Assigned Contracts” means the Desired 365 Contracts and all other Applicable Contracts that are not 365 Contracts (other than Excluded Assets).

“Assumed Liabilities” means, in each case expressly excluding any of the Enumerated Excluded Liabilities:

(a) all Property Expenses to the extent attributable to the Assets and related to periods from and after the Effective Time (other than Property Expenses for which the Purchase Price is increased pursuant to Section 2.04(a));

(b) all other Liabilities (other than Property Expenses) under or associated with or appurtenant to the Assets, to the extent related to periods from and after the Effective Time, including without limitation all such Liabilities arising out of the operation and/or ownership of the Assets from and after the Effective Time;

(c) all Liabilities under, associated with or appurtenant to the Assets with respect to Environmental Claims whether arising on, before or after the Effective Time, including without limitation those related to the control, storage, handling, transporting and disposing of or discharge of all materials, substances and wastes from the Assets (including produced water, hydrogen sulfide gas, drilling fluids, NORM and other wastes);

(d) costs, expenses and Liabilities attributable to obligations to plug Wells included in the Assets, dismantle or decommission facilities, close pits and restore the surface around such Wells, facilities and pits;

(e) Taxes allocated to Buyer pursuant to Section 7.07(a) and Section 7.07(c);

(f) all Liabilities related to the payment of Burdens (i) attributable to Buyer Hydrocarbons (other than Burdens paid or borne by Sellers and taken into account pursuant to Section 2.04(b)(ii)(A)), and (ii) attributable to Effective Time Hydrocarbons to the extent not paid or borne by Sellers as of Closing;

(g) all of Sellers' Liabilities under the Purchased Contracts, subject to the immediately preceding clause (f);

(h) all of Sellers' Liabilities with respect to Imbalances with Third Parties attributable to the Assets; and

(i) all Liabilities with respect to the Cure Costs required to be paid by Buyer in accordance with Section 5.03(i).

"Avoidance Action" means any claim, right or cause of action of Sellers arising under chapter 5 of the Bankruptcy Code and any analogous state or federal statutes and common law relating to the Assets, the Purchased Contracts and the Assumed Liabilities.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Texas or any other court having jurisdiction over the Bankruptcy Cases from time to time.

"Bid Procedures" means the Bid Procedures attached as Exhibit 1 to the Bid Procedures Order.

"Bid Procedures Order" means the *Order Establishing Bid Procedures Relating to the Sale of the Debtors' Assets* entered by the Bankruptcy Court on June 9, 2020 [Docket No. 115] in the Bankruptcy Cases, as amended by the *Order Pursuant to 11 U.S.C. §§ 363 and 105(a) for Modification of Sales Process* [Docket No. 215], the *Revised Order Pursuant to 11 U.S.C. §§ 363 and 105(a) for Modification of Sales Process* [Docket No. 268] entered on July 29, 2020, and the *Corrected Revised Order Pursuant to 11 U.S.C. §§ 363 and 105(a) for Modification of Sales Process* [Docket No. 278] entered on August 14, 2020 (as may be amended, supplemented or modified from time to time).

"Burden" means any and all Royalties, reversionary interests, net profits interests, carried interests, production payments and other burdens upon, measured by or payable out of production.

"Business Day" means any day, excluding Saturdays, Sundays or legal holidays, on which commercial banks are open for business in New York, NY.

"Buyer's Knowledge" means the actual knowledge of the executive officers of Buyer.

"Claim" means a claim against any Seller as defined in Bankruptcy Code section 101(5).

"Closing Date" means the date of the Closing.

"Confidentiality Agreement" means the Confidentiality and Non-Disclosure Agreement between Resources and Crimson Energy Partners IV, LLC dated June 16, 2020 (as may be amended, supplemented or modified from time to time).

"Confirmation Order" means the order of the Bankruptcy Court confirming the Plan.

“Contract” means any contract or agreement, but excluding, however, (a) any Lease, easement, right-of-way (including any ROW Interest) or other instrument, in each case, creating or evidencing any oil and gas mineral interests or other real property interests, or (b) any Permit.

“Deposit Escrow Account” means the escrow account established pursuant to the Deposit Escrow Agreement.

“Deposit Escrow Agreement” means that certain Escrow Agreement dated as of the Execution Date, by and among Sellers, Buyer and the Escrow Agent.

“Designation Deadline” means 5:00 p.m. (Central Prevailing Time) on the date that is two (2) days prior to the Closing Date, or such later date as Buyer and Sellers shall mutually agree and, if applicable, as the Bankruptcy Court may authorize.

“Disclosure Schedule” means the letter dated as of the Execution Date, executed by Sellers and delivered to Buyer on the Execution Date in connection with the execution and delivery of this Agreement, which letter is identified therein as the Disclosure Schedule for purposes of this Agreement.

“Effective Time” means 7:00 a.m. (Central Prevailing Time) on April 1, 2020.

“Environmental Claim” means any condition, event or circumstance in, on, under or with respect to or related to any Asset for which any cleanup, remediation or other corrective action is presently required (or, if known or confirmed, would be presently required) under, or that constitutes noncompliance with or a violation of, any Environmental Law. For the avoidance of doubt, (a) the fact that a Well is no longer capable of producing sufficient quantities of oil or gas to continue to be classified as a “producing well” shall not form the basis of an Environmental Claim, (b) the fact that a pipe is temporarily not in use shall not form the basis of an Environmental Claim and (c) except with respect to personal property (i) that causes or has caused contamination of soil, surface water or groundwater or (ii) the use or condition of which is a violation of (or requires cleanup, remediation or other corrective action under) Environmental Law, the physical condition of any surface or subsurface personal property, including water or oil tanks, separators or other ancillary equipment, shall not form the basis of an Environmental Claim.

“Enumerated Excluded Liabilities” means all Liabilities of Sellers, or their respective Affiliates, arising from or related to:

- (a) any off-site transportation, disposal or arrangement therefor of any Hazardous Substances off the premises of the Assets prior to the Closing;
- (b) personal injury (including death) or property damage claims attributable to Sellers’ or their Affiliates’ operation of the Assets prior to the Effective Time;
- (c) failure to properly and timely pay, in accordance with the terms of any Lease, Contract or Applicable Law, all Burdens and any other working interest amounts (in each case) with respect to the Assets that are due by Sellers or any of their Affiliates and attributable to Sellers’ ownership of the Assets prior to the Effective Time;

(d) Sellers' or their Affiliates' gross negligence or willful misconduct in connection with the ownership or operation of the Assets prior to the Closing Date;

(e) any criminal fines or criminal penalties that may be levied against Sellers or their Affiliates by any Governmental Authority for any violation of Applicable Law (including any Environmental Law) in connection with Sellers' ownership or operation of the Assets prior to the Closing Date;

(f) any existing Proceeding before any Governmental Authority;

(g) the use, ownership or operation of the Excluded Assets;

(h) indebtedness for borrowed money of Seller; the employment or performance of service of any Person for, or the termination of employment or performance of service of any Person from, Sellers or any Affiliate of Sellers;

(i) all liabilities and any obligation relating to or at any time arising under or in connection with any compensation or benefit plan, program, policy, agreement or arrangement of any kind at any time maintained, sponsored, contributed to or required to be contributed to by any of Sellers or their Affiliates or under or with respect to which any of Sellers or their Affiliates has any liability or obligation, including on account of Buyer or any of its Affiliates being deemed successor of the business related to the Assets and including with respect to any and all obligations under sections 601 to 608 of ERISA relating to "M&A qualified beneficiaries" as defined in Treasury Regulation Section 54.4980B-9;

(j) Seller Taxes;

(k) Excess Cure Costs;

(l) Suspense Funds; and

(m) Liabilities discharged or from which the Assets are otherwise released as of the Closing in accordance with the Sale Order.

"Environmental Law" means any Applicable Law or any agreement with any Governmental Authority relating to human health and safety, the environment or to pollutants, contaminants, wastes, chemicals, or toxic or other hazardous substances. The term "Environmental Laws" does not include good or desirable operating practices or standards that may be employed or adopted by other oil and gas well operators or recommended, but not required, by a Governmental Authority,

"Escrow Agent" means that certain Third Party that is a party, as escrow agent, to the Deposit Escrow Agreement and the Post-Closing Escrow Agreement, as applicable.

"Excluded Liabilities" means all Liabilities of Sellers and their Affiliates that are not Assumed Liabilities, including, for the avoidance of doubt, the Enumerated Excluded Liabilities.

“Excluded Records” means any items, including items referenced in the definition of “Data,” that are (a) Tax records that relate solely to the business of Sellers generally, (b) not transferable without payment of additional consideration (unless Buyer has agreed in writing to pay such additional consideration), (c) e-mails or other electronic files on Sellers’ or their Affiliates’ servers and networks, (d) employee files and personnel records, (e) confidential legal records and legal files of Sellers, including all work product of and attorney-client communications with Sellers’ legal counsel or any other documents or instruments that may be protected by an attorney-client privilege (but excluding any title opinions, environmental reports or evaluations, and any documents and instruments that relate to or cover any Assumed Liability), (f) reserve reports, valuations, and estimates of any quantities of Hydrocarbons or the valuation thereof with respect to the Assets, and any Hydrocarbon or other Hydrocarbon pricing assumptions, forward Hydrocarbon or other pricing estimates, Hydrocarbon or price decks, or Hydrocarbon or pricing studies related thereto, (g) economic projections, (h) data, correspondence, materials, documents, descriptions or records relating to the marketing, sales negotiation or sale of any of the Assets, including the existence or identities of any prospective inquirers, bidders or prospective purchasers of any of the Assets, any bids received from and records of negotiations with any such prospective purchasers and any analyses of such bids by any Person, (i) correspondence between or among any Seller or its Affiliate or their respective representatives, and any prospective purchaser other than Buyer, and correspondence between any Seller or its Affiliates or any of their respective representatives with respect to any of the bids, the prospective purchasers or the Transactions, or (j) originals of the Data that relate to both the Assets and any Excluded Assets and copies of all other Data.

“Existing Letters of Credit” means all performance bonds, surety bonds, letters of credit, guarantees, security deposits and similar assurances in effect as of the Execution Date that relate to the Oil and Gas Properties.

“Expenses” means any and all notices, actions, suits, proceedings, claims, demands, assessments, judgments, costs, penalties and expenses, including attorneys’ and other professionals’ fees and disbursements incident to the foregoing.

“Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, (a) which has not been reversed, stayed, modified, amended, enjoined, set aside, annulled or suspended and (b) with respect to which no stay shall be in effect.

“GAAP” means generally accepted accounting principles in the United States of America, consistently applied.

“Governmental Authority” means any transnational, domestic or foreign federal, state or local, municipal, tribal, foreign or other governmental, quasi-governmental, regulatory or administrative unit, authority, department, court, agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority having or asserting jurisdiction with respect to the Oil and Gas Properties, including any political subdivision thereof, or any tribal authority.

“Hazardous Substances” means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material or any substance, waste or material having any constituent elements displaying any of the foregoing characteristics (including petroleum, its derivatives, by-products and other Hydrocarbons, asbestos, asbestos-containing materials, and NORM), and any substance, waste or material regulated, or for which Liability or standards of conduct may be imposed, under any Environmental Law.

“Hydrocarbons” means crude oil, natural gas, condensate, casinghead gas, drip gasoline, natural gasoline, petroleum, natural gas liquids, other liquids and other hydrocarbons and all other minerals and materials of every kind and description, including all products derived therefrom.

“Imbalance” or “Imbalances” means any over-production, under-production, over-delivery, under-delivery or similar imbalance of Hydrocarbons produced from or allocated to the Oil and Gas Properties, regardless of whether such over-production, under-production, over-delivery, under-delivery or similar imbalance arises at the platform, wellhead, pipeline, gathering system, transportation system, processing plant or other location.

“Imbalance Adjustment Amount” means the product of (a) any Imbalance allocated to the Oil and Gas Properties as of the Effective Time *multiplied by* (b) the Imbalance Price (which product shall be a positive number if such Imbalance is owed to Sellers by a Third Party and a negative number if such Imbalance is owed by Sellers to a Third Party).

“Imbalance Price” means the settlement price applicable to the Hydrocarbons that are the subject of the applicable Imbalance actually realized or paid by Sellers.

“Intellectual Property” means inventions and invention disclosures; patents and patent applications (including statutory invention registrations); trademarks, service marks, logos, trade dress, trade names, Web addresses, domain names, and other indicia of commercial source or origin, including registrations and applications for registration thereof, and goodwill associated with any of the foregoing; copyrights, including registrations and applications for registration thereof; trade secrets, know-how, software, formulae, customer lists, data (including seismic data), processes, protocols, specifications, analyses, plans, techniques, and other forms of technology (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing, such as notebooks, samples, studies and summaries); and other proprietary rights and intellectual property.

“Interim Period” means the period commencing at the Effective Time and ending at 7:00 a.m. (Central Prevailing Time) on the Closing Date.

“Liability” means any claims, causes of action, payments, charges, judgments, assessments, losses, monetary damages, penalties, fines, fees, interest obligations, indebtedness, obligation, commitment, expense, loss, claim, deficiency, debts or guaranty of or by any Person of any types, whether known or unknown, and whether accrued, absolute, contingent, matured or unmatured.

“Lien” means, with respect to any property or asset, any mortgage, lien, interest pledge, charge, security interest, encumbrance, deed of trust, production payment, option, collateral assignment, mechanics’ lien, materialman’s lien, statutory lien or right, and other consensual or non-consensual



lien, whenever granted and including without limitation those charges or interests in property within the meaning of “lien” under section 101(37) of the Bankruptcy Code.

“Liquidating Trust” means a liquidating or similar trust as may be established with respect to Sellers’ estates in conjunction with the Bankruptcy Cases.

“Liquidating Trustee” means the Trustees or other representative of the Liquidating Trust.

“Net Revenue Interest” or “net revenue interest” means the percentage share in all oil, gas and other Hydrocarbons produced from or allocated to a Conveyed Well or Lease after giving effect to all Burdens applicable thereto.

“Non-Income Tax” means any Tax other than U.S. federal income tax, income tax imposed by any state or subdivision of the U.S. and franchise tax (including the Texas Margin Tax), but including any property tax, severance tax, production tax or sales and use tax.

“Oil and Gas Interests” means (a) direct and indirect interests in and rights with respect to oil, gas, mineral and related properties and assets of any kind or nature, direct or indirect, including working, leasehold and mineral interests and operating rights and Royalties, production payments, net profit interests, non-participating royalty interests, non-participating mineral interests and other non-working interests and nonoperating interests; (b) all interests in rights with respect to Hydrocarbons and other minerals or revenues therefrom, all Leases and Applicable Contracts in connection therewith and claims and rights thereto (including all Oil and Gas Leases, unitization and pooling agreements and orders, division orders, transfer orders, mineral deeds, royalty deeds, oil and gas sales, exchange and processing contracts and agreements, and in each case, interests thereunder), surface interests, mineral fee interests, reversionary interests, reservations, and concessions; (c) all easements, rights of way, licenses, permits, leases, and other interests associated with, appurtenant to, or necessary for the completion and operation of any of the foregoing; and (d) all interests in equipment and machinery (including Wells, Well equipment and machinery), oil and gas production, gathering, transmission, treating, processing, and storage facilities (including tanks, tank batteries, pipelines, and gathering systems), pumps, water plants, electric plants, gasoline and gas processing plants, refineries, and other tangible personal property and fixtures associated with, appurtenant to, or necessary for the operation of any of the foregoing, in each case in which any Seller has an ownership interest.

“Oil and Gas Lease” means any contract or agreement pursuant to which Sellers lease, have rights of ingress, egress, easement or passage, or otherwise have rights in or access to surface or subsurface real property and/or the Hydrocarbons or other minerals located thereon or thereunder for the purpose or use of exploration, drilling, production, gathering or transportation of Hydrocarbons.

“Ordinary Course of Business” means the ordinary course of business of Sellers, consistent in all material respects with past custom and practice of Sellers, including changes in response to the COVID-19 pandemic and the governmental actions related thereto. Without limiting the effect of the foregoing, the term “Ordinary Course of Business” as used herein shall be no broader than the term “ordinary course of business” as used in section 363 of the Bankruptcy Code.

“Organizational Documents” means, with respect to any Person, the certificate or articles of incorporation, bylaws, certificate of formation or organization, partnership agreement, operating agreement, limited liability company agreement or any other similar organizational documents of such Person.

“Permits” means all governmental (whether federal, state or local) permits, licenses, franchises, certificates, approvals or other similar authorizations.

“Person” means any person, entity or Governmental Authority of any nature whatsoever, specifically including an individual, firm, company, corporation, partnership, trust, joint venture, association, joint stock company, limited liability company, estate, unincorporated organization or other entity or organization.

“Plan” means, if applicable, the joint plan of reorganization of Sellers under chapter 11 of the Bankruptcy Court with respect to the Bankruptcy Cases.

“Post-Closing Escrow Account” means the escrow account with respect to the Settlement Statement Escrow Funds pursuant to the Post-Closing Escrow Agreement.

“Post-Closing Escrow Agreement” means that certain Escrow Agreement by and among Sellers, Buyer and the Escrow Agent, dated as of the Closing Date, and substantially in the form of Exhibit G attached hereto.

“Proceeding” means any action, arbitration, claim, demand, audit, hearing, complaint, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before any Governmental Authority or arbitrator.

“Property Expenses” means all expenses, charges, capital expenses, joint interest billings, lease operating expenses, lease rental and maintenance costs, exploration expenses, production expenses, development expenses, drilling expenses, workover expenses, geological, geophysical and any other exploration or development expenditures charged or incurred under applicable Oil and Gas Leases, operating agreements or other Contracts that are attributable to the ownership, maintenance and operation of Sellers’ interest in the Oil and Gas Properties during the period in question and that are not Taxes, and shall expressly include without limitation (a) all capital expenditures, including drilling costs, reworking costs, shut-in royalties and all other capital expenditures (collectively, for purposes of this clause (a), “capital expenditures”) incurred in connection with the development, exploration, operation and maintenance of the Oil and Gas Properties during the Interim Period; (b) amounts paid under the Purchased Contracts; and (c) overhead charges charged by Third Parties with respect to Oil and Gas Properties. “Property Expenses” shall expressly exclude Liabilities attributable to (i) personal injury or death, property damage, torts, breach of Contract, or violation of any Applicable Law, (ii) obligations relating to the abandonment or plugging of Wells, dismantling or decommissioning facilities, closing pits and restoring the surface around such Wells, facilities and pits, (iii) the curing of any Environmental Claim, (iv) obligations with respect to Imbalances, (v) obligations to pay Burdens or other interest owners revenues or proceeds relating to the Assets but held in suspense, (vi) claims for indemnification or reimbursement from any Third Party with respect to costs of the types described

in the preceding clauses (i) through (vi), whether such claims are made pursuant to Contract or otherwise, and (vii) Taxes.

“PUD Location” means the interest in Hydrocarbons that would be produced from or attributable to a hypothetical well (or recompletion of a Well) as identified on Annex E.

“Representatives” means, with respect to any Person, the officers, directors, employees, members, managers, partners, investment bankers, attorneys, accountants, consultants or other advisors, agents or representatives of such Person, when acting in such capacity on behalf of such Person.

“ROW Interests” means all contracts and agreements pursuant to which Sellers hold any interest in any easement, right-of-way, license, crossing right and other subsurface interest (other than the Leases) used or held for use in connection with the ownership or operation of the Oil and Gas Properties including the gathering or transportation of Hydrocarbons produced therefrom.

“Royalties” means royalties, overriding royalties, or other interest owners’ revenues or proceeds attributable to the sale of Hydrocarbons and payments in respect thereof, as applicable.

“Sale Hearing” has the meaning set forth in the Bid Procedures Order.

“Sale Order” means an order or orders of the Bankruptcy Court in the form and containing such terms, to the extent such terms pertain to the transactions contemplated by this Agreement, as are reasonably acceptable to Buyer and Sellers, approving this Agreement and all of the terms and conditions hereof, and approving and authorizing Sellers to consummate the Transactions; *provided* that, such order may be the Confirmation Order.

“Seller Taxes” means any Taxes that are apportioned to Sellers under Section 7.07.

“Seller Tax Period” means any Tax period for which only Sellers are apportioned Taxes under Section 7.07.

“Sellers’ Knowledge” means the actual knowledge of Joe Ketzner and Jeff Mobley.

“Special Warranty” means the special warranty of Acceptable Title described on Exhibit H.

“Straddle Period” means any tax period for which both Sellers and Buyer are apportioned Taxes under Section 7.07.

“Subsidiary” means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at any time directly or indirectly owned by such Person.

“Suspense Funds” means the proceeds of production and associated penalties and interest in respect of any of the Oil and Gas Properties that are payable to any Third Party and are being held in suspense by Seller, as set forth on Disclosure Schedule 3.23.

“Tax” means any tax, governmental fee or other like assessment or charge of any kind whatsoever (including withholding on amounts paid to or by any Person), together with any interest, penalty,

addition to tax or additional amount imposed by any Governmental Authority (a “Taxing Authority”) responsible for the imposition of any such tax (domestic or foreign), and any liability for any of the foregoing as transferee.

“Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Taxing Authority” has the meaning set forth in the definition of Tax.

“Third Party” means any Person other than a Party or its Affiliates.

“Transaction Documents” means this Agreement, the Assignment and Bill of Sale, the Assumption Agreement, any other agreement between or among Buyer and any Seller that expressly states that it constitutes a Transaction Document for purposes of this Agreement, and all other agreements, documents and instruments entered into by Buyer, on the one hand, and a Seller, on the other hand, as of or after the Execution Date and at or prior to Closing in connection with the transactions contemplated hereby (as each such document, agreement and instrument may be amended, supplemented or modified).

“Transactions” means the transactions contemplated by this Agreement and the other Transaction Documents, including the purchase, sale and transfer of Assets for the Purchase Price and the assumption of the Assumed Liabilities in accordance with this Agreement and the other Transaction Documents.

“Well” means a well for the purpose of discovering or producing Hydrocarbons or disposing of fluids produced in connection with the production of Hydrocarbons, whether producing, not producing, temporarily abandoned, water source, water injection and other injection or disposal wells and systems.

“Willful Breach” means, with respect to any Party, that such Party knowingly does one or more of the following: (a) such Party willfully and intentionally breaches in any material respect (by refusing to perform or taking an action prohibited) any material pre-Closing covenant, obligation or agreement applicable to such Party which was undertaken with the actual knowledge of such Party’s act or failure to act would be, or would reasonably be expected to cause, a material breach of any material pre-Closing covenant, obligation or agreement applicable to such Party, or (b) such Party willfully and intentionally causes any of its representations or warranties under this Agreement to not be true and correct in all material respects after the Execution Date and prior to the Closing Date. For clarity, if a Party is obligated hereunder to use its commercially reasonable efforts to perform an action or to achieve a result, the failure to use such commercially reasonable efforts would constitute a willful and intentional breach of this Agreement.

“Working Interest” or “working interest” means a fraction or percentage of the costs and expenses associated with the maintenance, exploration, development, operation and abandonment of any Lease or Conveyed Well, but without regard to the effect of any Burdens.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<b>Term</b>	<b>Section</b>
365 Schedule	5.03(a)
Acceptable Title	Exhibit H
Accounting Firm	7.07(d)
Adjusted Purchase Price	2.03
Agreement	Preamble
Allocation	7.07(d)
Assets	2.01
Assignment and Bill of Sale	2.05(c)(i)
Assumption Agreement	2.05(c)(iii)
Audit Fees	2.06(f)
Bankruptcy Cases	Recitals
Buyer	Preamble
Buyer Hydrocarbons	2.01(d)
Casualty Loss	10.01(b)
Chosen Courts	14.06
Closing	2.05
Closing Amount Shortfall	2.07(b)
Closing Date Adjusted Purchase Price	2.04(d)(i)
Closing Payment Excess	2.07
Closing Statement	2.04(d)(i)
Code	3.14(e)
Consent	3.06
Consent Notice	2.13
Conveyed Wells	2.01(b)
Cure Costs	5.03(i)
Cut-Off Date	2.06(g)
Data	2.01(f)
Deposit Escrow Funds	2.09(a)
Desired 365 Contracts	5.03(b)
Effective Time Hydrocarbons	2.01(d)
End Date	9.01(b)
Equitable Limitations	3.03
Escrow Cash Shortfall	2.07(b)
Excess Cure Costs	5.03(i)
Execution Date	Preamble
Final Settlement Date	2.06(a)
Final Settlement Statement	2.06(a)
Leases	2.01(a)
Letters in Lieu	2.05(c)(ii)
ManagementCo	Preamble
Material Contract	3.05(a)
Objection Notice	2.06(c)
Oil and Gas Properties	2.01(a)
Party	Preamble

<b>Term</b>	<b>Section</b>
Parties	Preamble
Permits	2.01(h)
Permitted Liens	Exhibit H
Phase I Assessment	5.04(b)
Post-Closing Consent Period	2.13(d)
Potential Bidder	7.02(f)
Pref Right Notice	2.12(a)
Preferential Purchase Right	3.17
Prorated Expense Items	2.04(c)(ii)
Purchase Price	2.03
Purchased Contracts	2.01(g)
Referee	2.06(d)
Required Consent	2.13(a)
Resources	Preamble
Scheduled Closing Date	2.05
Seller	Preamble
Sellers	Preamble
Seller Hydrocarbons	2.02(d)
Settlement Statement Escrow Funds	2.06(g)
Supplemental Disclosure	7.08
Tax Proceeding	7.05
Taxing Authority	Exhibit A – within “Tax”
Title Defect	Exhibit H
Title Well	Exhibit H
Transfer Taxes	7.07(c)

- (c) *References and Rules of Construction.* The words “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The headings and captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein and defined herein, shall have the meaning as defined in this Agreement. Unless expressly provided to the contrary, if a word or phrase is defined, its other grammatical forms have a corresponding meaning. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”, whether or not they are in fact followed by those words or words of like import. “Writing”, “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law”, “laws” or to a particular statute or law shall be deemed

also to include any and all Applicable Law. The word “or” will have the inclusive meaning represented by the phrase “and/or.” The phrase “and/or” when used in a conjunctive phrase, shall mean any one or more of the Persons specified in or the existence or occurrence of any one or more of the events, conditions or circumstances set forth in that phrase; *provided, however*, that when used to describe the obligation of one or more Persons to do any act, it shall mean that the obligation is the obligation of each of the Persons but that it may be satisfied by performance by any one or more of them. “Shall” and “will” have equal force and effect. The word “extent” in the phrase “to the extent” shall mean the degree or proportion to which a subject or other things extends, and such phrase shall not mean simply “if.” References to any date shall mean such date in Houston, Texas and for purposes of calculating the time period in which any notice or action is to be given or undertaken hereunder, such period shall be deemed to begin at 12:01 a.m. on the applicable date in Houston, Texas. If a date specified herein for giving any notice or taking any action is not a Business Day (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (and the expiration date of such period during which notice is required to be given or action taken) shall be the next day which is a Business Day. All references to immediately available funds or dollar amounts contained in this Agreement shall mean United States dollars. Each accounting term not defined herein will have the meaning given to it under GAAP as in effect as of the Execution Date. References to a Person are also to its permitted successors and permitted assigns. Any reference in this Agreement to “made available” shall mean that such documents or information referenced shall have been provided to, as applicable, Seller or its Representatives or Buyer or its Representatives not less than two Business Days prior to the Execution Date. Reference herein to any federal, state, local, or foreign law shall be deemed to also refer to all rules and regulations promulgated thereunder, unless the context requires otherwise, and reference herein to any agreement, instrument, or law means such agreement, instrument, or law as from time to time amended, modified, or supplemented, including, in the case of agreements or instruments, by waiver or consent and, in the case of laws, by succession of comparable successor laws. **THE PARTIES AGREE THAT THE BOLD AND/OR CAPITALIZED LETTERS IN THIS AGREEMENT CONSTITUTE CONSPICUOUS LEGENDS.**

**Exhibit B**

**ASSIGNMENT AND BILL OF SALE**

THE STATE OF TEXAS

COUNTY OF [ \_\_\_\_\_ ]

THIS ASSIGNMENT AND BILL OF SALE (this "Assignment and Bill of Sale") is executed and delivered by Gavilan Resources, LLC, a Delaware limited liability company, and Gavilan Resources Management Services, LLC, a Delaware limited liability company (each an "Assignor" and collectively, the "Assignors"), each with an address of c/o Gavilan Resources Holdings, LLC, 920 Memorial City Way, Suite 1400, Houston, Texas 77024, to Crimson Resources LLC, a Delaware limited liability company ("Assignee"), with an address of c/o Crimson Energy Partners IV, 420 Commerce Street, Suite 200, Fort Worth, Texas 76102, and is made to be effective as of 7:00 a.m., April 1, 2020, Central Prevailing Time (the "Effective Time"). Reference is made to that certain Asset Purchase Agreement, dated November 11, 2020, by and between Assignors, as Sellers, and Assignee, as Buyer (the "Purchase Agreement"). All capitalized terms used herein that are not otherwise defined herein shall have the meanings attributed to such terms in the Purchase Agreement.

1. For and in consideration of the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignors hereby transfer and convey to Assignee all of their respective right, title and interest, if any, in and to the properties and interests described in clauses (a) through (k) below (the "Assets") in their "as is" and "where is" condition and without warranty of title of any kind:

(a) Oil and Gas Properties. All Oil and Gas Interests (whether the interest of Assignors in such properties is fee interests, leasehold interests, licenses, concessions, working interests, farmout rights, royalty, overriding royalty or other non-working or carried interests, operating rights or other mineral rights of every nature and any rights that arise by operation of law or otherwise in all properties and lands pooled, unitized, communitized or consolidated with such properties) in, to or arising under (i) the Oil and Gas Leases described on Annex A (the "Leases"), (ii) the lands covered by the Leases or otherwise described on Annex A and lands included in any units with which the Leases or the lands covered thereby or otherwise described on Annex A may have been pooled, unitized or communitized and (iii) the oil, gas and other minerals in and under or that may be produced from the lands covered by the Leases or otherwise described on Annex A, whether such lands be described on a description set forth on Annex A or described on Annex A by reference to another instrument and whether Assignors' interest therein is correctly or incorrectly described on Annex A or such referenced instrument (collectively, the "Oil and Gas Properties"; the term Oil and Gas Properties shall be deemed to include all Conveyed Wells);

(b) Wells. All Wells located on the Oil and Gas Properties, including the Wells and related interests described on Annex B hereto (the "Conveyed Wells");



(c) Equipment. All equipment, gathering systems, pipelines, flow lines, water lines, machinery, fixtures, physical assets and facilities, inventory, improvements, and other personal, mixed, or movable property or interests whether located on or off the lands covered by the Leases, used primarily in connection with the ownership of the Oil and Gas Properties (except for any such personal property leased from Third Parties);

(d) Hydrocarbons. All Hydrocarbons (i) produced from or allocated to the Oil and Gas Properties that are in storage or existing at the Effective Time in stock tanks, pipelines and/or plants (including inventory) and not past a sales measuring point at the Effective Time and (ii) produced from the Oil and Gas Properties on or after the Effective Time and all proceeds attributable thereto;

(e) Surface Rights. To the extent assignable by Assignors to Assignee, all fee surface interests in land, surface leases, easements, rights of way, servitudes, licenses, franchises, road, railroad, and other surface use permits or agreements, as the same may exist, and similar rights and interests (if any) with respect to the lands covered by the Leases or otherwise described in clause (a) above;

(f) Information and Data. To the extent, and only to the extent, in the possession of Assignors and related to the Oil and Gas Properties, all (i) abstracts, title opinions, title reports, title policies, lease and land files, plats, surveys, analyses, run sheets, mineral ownership reports, compilations, correspondence, filings with and reports to regulatory agencies, other documents and instruments, (ii) all geophysical, geological, engineering, seismic, exploration, production and other technical data, magnetic field recordings, digital processing tapes, field prints, summaries, reports and maps, whether written or in electronically reproducible form which is transferable without payment of any fee to a Third Party (or for which Assignee has agreed in writing to pay such Third Party fee), (iii) environmental, regulatory, Non-Income Tax and accounting records; (iv) contract files, (v) other books, records and files containing financial, title or other information (such materials, excluding the Excluded Records, the “Data”); *provided, however*, that (1) Assignee’s right with respect to Data pursuant to clause (ii) shall be limited to the extent the assignment and disclosure of, or rights granted hereunder with respect to, such Data are not restricted by the terms of any confidentiality, license or similar agreement, (2) rights to receive access to and copies of such Data from Third Parties shall accrue to Assignee only to the same extent as such rights are vested in Assignors, and (3) Assignors shall be permitted to keep copies of the Data;

(g) Contracts. All Assigned Contracts and any and all amendments, ratifications or extensions of the foregoing (the “Purchased Contracts”), including those Assigned Contracts set forth on Annex C hereto;

(h) Permits. To the extent assignable by Assignors to Assignee, all Permits described on Annex D hereto;

(i) Payment Rights. (i) All accounts receivable attributable to the Oil and Gas Properties with respect to any period of time on or after the Effective Time, (ii) instruments and general intangibles (as such terms are defined in the Uniform Commercial Code of the

applicable jurisdictions in which the Oil and Gas Properties to which such assets relate are located) and economic benefits attributable to the Oil and Gas Properties with respect to any period of time on or after the Effective Time, (iii) claims of indemnity, contribution, or reimbursement relating to the Assumed Liabilities and (iv) Imbalances receivables;

(j) Claims. All rights, claims, causes, causes of action, remedies, defenses rights of set-off, rights of recoupment, rights of Assignors under any policy or agreement of insurance and rights to payment or to enforce payment and credits of any Assignor to the extent relating to the Assets (other than the Excluded Assets) or any Assumed Liability with respect to any period of time on or after the Effective Time; and

(k) Intangible Rights. All intangible rights, inchoate rights, transferable rights under warranties made by prior owners, manufacturers, vendors, and Third Parties, and rights accruing under applicable statutes of limitation or prescription to the extent related or attributable to the Assets described in clauses (a) through (j) above on or after the Effective Time.

2. Notwithstanding anything to the contrary in the Purchase Agreement or elsewhere in this Assignment and Bill of Sale, the "Assets" shall not include any rights with respect to any Excluded Assets. "Excluded Assets" means all of the following assets:

- (a) all cash and cash equivalents of Assignors;
- (b) all Excluded Records;
- (c) all Contracts of insurance or indemnity, subject to Section 10.01 of the Purchase Agreement;
- (d) all Hydrocarbons produced and sold from and attributable to the Oil and Gas Properties prior to the Effective Time (collectively, the "Seller Hydrocarbons") and all proceeds attributable to Seller Hydrocarbons;
- (e) all rights, claims, demands and causes of action of Assignors arising under the Purchase Agreement;
- (f) all rights, claims (including any claim as defined in section 101 of the Bankruptcy Code), causes, causes of action, remedies, defenses rights of set-off, rights of recoupment, and rights to payment or to enforce payment and credits of any Assignor except to the extent relating to the Assets with respect to any period of time on or after the Effective Time or any Assumed Liability;
- (g) any refund of costs, Taxes or expenses borne by Assignors attributable to periods, or portions thereof, prior to the Effective Time or that are otherwise apportioned to Assignors under Section 7.07 under the Purchase Agreement, in each case that are received prior to the Final Settlement Date;
- (h) any prepayments or good faith or other deposits submitted by any Third Party under the terms of the Bid Procedures Order;

- (i) any of Assignors' rights, claims and causes of action under the Bankruptcy Code and any Avoidance Actions under the Bankruptcy Code in which Assignors have or will have rights;
- (j) the name "Gavilan" and all variations and derivations thereof and any trademark, trade name, logo or symbol containing such names;
- (k) all Contracts and other assets listed on Annex E hereto<sup>1</sup>;
- (l) any executory contracts or unexpired leases that are not Desired 365 Contracts;
- (m) all Existing Letters of Credit and cash deposits and proceeds of such Existing Letters of Credit;
- (n) all equipment, Permits and Data to the extent related to Excluded Assets or Excluded Liabilities;
- (o) all office equipment, computers, software, hardware and related Intellectual Property of Assignors;
- (p) all assets excluded pursuant to the express terms of the Purchase Agreement, including those assets listed on Annex F hereto<sup>2</sup>;
- (q) except to the extent related to any Assumed Liability, all audit rights arising under any of the Applicable Contracts or otherwise with respect to (i) any period prior to the Effective Time, with respect to the Assets or (ii) any of the Excluded Assets;
- (r) all engagements and similar letters and agreements with Assignors' legal advisors (other than title opinions, environmental reports or evaluations, and any documents and instruments that relate to or cover any Assumed Liability), it being agreed that Assignee shall have no right to claim, own or waive any attorney-client or similar privilege in favor of Assignors or any of their Affiliates with respect to the ownership or operation of the Assets; and
- (s) any assets or properties otherwise expressly identified as Excluded Assets under the Purchase Agreement.

3. Assignors warrant and shall defend Acceptable Title to the Title Wells included within the Assets unto Assignee, its successors and assigns, against every Person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignors, but not otherwise, subject to the Permitted Liens, and only as to claims raised by Assignee in writing to

---

<sup>1</sup> Note to Draft: Annex E to include a list of any Contracts or other assets listed on Schedule 2.02(k) of the Purchase Agreement.

<sup>2</sup> Note to Draft: Annex F to include a list of any assets excluded pursuant to Section 2.12(d), Section 2.13 or Section 5.03 of the Purchase Agreement.

Assignors pursuant to the notice provisions of the Purchase Agreement prior to the Cut-Off Date. Assignors hereby assign to Assignee all rights, claims and causes of action on title warranties given or made by Assignors' respective predecessors with respect to the Title Wells, and Assignee is specifically subrogated to all rights which Assignors may have against their predecessors with respect to the Title Wells, to the extent Assignors may legally transfer such rights and grant such subrogation.

4. For purposes of this Assignment and Bill of Sale, the following terms shall be defined as follows:

(a) "Avoidance Action" means any claim, right or cause of action of Assignors arising under chapter 5 of the Bankruptcy Code and any analogous state or federal statutes and common law relating to the Assets, the Purchased Contracts and the Assumed Liabilities.

(b) "Hydrocarbons" means crude oil, natural gas, condensate, casinghead gas, drip gasoline, natural gasoline, petroleum, natural gas liquids, other liquids and other hydrocarbons and all other minerals and materials of every kind and description, including all products derived therefrom.

(c) "Oil and Gas Interests" means (i) direct and indirect interests in and rights with respect to oil, gas, mineral and related properties and assets of any kind or nature, direct or indirect, including working, leasehold and mineral interests and operating rights and Royalties, production payments, net profit interests, non-participating royalty interests, non-participating mineral interests and other non-working interests and nonoperating interests; (ii) all interests in rights with respect to Hydrocarbons and other minerals or revenues therefrom, all Leases and Applicable Contracts in connection therewith and claims and rights thereto (including all Oil and Gas Leases, unitization and pooling agreements and orders, division orders, transfer orders, mineral deeds, royalty deeds, oil and gas sales, exchange and processing contracts and agreements, and in each case, interests thereunder), surface interests, mineral fee interests, reversionary interests, reservations, and concessions; (iii) all easements, rights of way, licenses, permits, leases, and other interests associated with, appurtenant to, or necessary for the completion and operation of any of the foregoing; and (iv) all interests in equipment and machinery (including Wells, Well equipment and machinery), oil and gas production, gathering, transmission, treating, processing, and storage facilities (including tanks, tank batteries, pipelines, and gathering systems), pumps, water plants, electric plants, gasoline and gas processing plants, refineries, and other tangible personal property and fixtures associated with, appurtenant to, or necessary for the operation of any of the foregoing, in each case in which any Assignor has an ownership interest.

(d) "Oil and Gas Lease" means any contract or agreement pursuant to which Assignors lease, have rights of ingress, egress, easement or passage, or otherwise have rights in or access to surface or subsurface real property and/or the Hydrocarbons or other minerals located thereon or thereunder for the purpose or use of exploration, drilling, production, gathering or transportation of Hydrocarbons.

(e) “Permits” means all governmental (whether federal, state or local) permits, licenses, franchises, certificates, approvals or other similar authorizations.

(f) “Royalties” means royalties, overriding royalties, or other interest owners’ revenues or proceeds attributable to the sale of Hydrocarbons and payments in respect thereof, as applicable.

(g) “Well” means a well for the purpose of discovering or producing Hydrocarbons or disposing of fluids produced in connection with the production of Hydrocarbons, whether producing, not producing, temporarily abandoned, water source, water injection and other injection or disposal wells and systems.

5. On May 15, 2020, each Assignor filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”), and these cases have been jointly administered for procedural purposes only under Case No. 20-32656 (MI). On [●], 2020, the Bankruptcy Court entered an order (the “Order”), authorizing the Assignors to sell the Assets, a certified copy of which Order is attached hereto as Exhibit A and incorporated herein for all purposes by this reference. This Assignment and Bill of Sale is made pursuant to the Order.

6. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Assignment and Bill of Sale shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to any conflicts of law or principle that might refer to construction of such provisions to the laws of another jurisdiction. Each Assignor and Assignee agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Assignment and Bill of Sale or the transactions contained in or contemplated by this Assignment and Bill of Sale (whether in contract or tort), exclusively in (a) the Bankruptcy Court so long as the Bankruptcy Cases remain open and (b) after the close of the Bankruptcy Cases, or in the event that the Bankruptcy Court determines that it does not have jurisdiction, the United States District Court for the Southern District of Texas or any Texas State court sitting in Houston, Texas (together with the Bankruptcy Court, the “Chosen Courts”), and solely in connection with claims arising under this Assignment and Bill of Sale or the transactions contained in or contemplated by this Assignment and Bill of Sale (whether in contract or tort) (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto and (iv) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 14.01 of the Purchase Agreement. EACH ASSIGNOR AND ASSIGNEE HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS ASSIGNMENT AND BILL OF SALE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

7. This Assignment and Bill of Sale is expressly subject to the terms and conditions of the Purchase Agreement, which terms are hereby incorporated into this Assignment and Bill of Sale by reference for all purposes. In the event of a conflict between the terms of this Assignment

and Bill of Sale and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall control.

8. Each of Assignors and Assignee agree (a) to furnish upon request to each other such further information, (b) to execute, acknowledge, and deliver to each other such other documents, and (c) to do such other acts and things, all as the other party hereto may reasonably request for the purpose of carrying out the intent of this Assignment and Bill of Sale and the Purchase Agreement and the documents referred to in this Assignment and Bill of Sale and the Purchase Agreement.

9. If any term, provisions, covenant or restriction contained in this Assignment and Bill of Sale is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Assignment and Bill of Sale shall remain in full force and effect and shall in no way be affected, impaired or invalidated; and in lieu of each such invalid, void or unenforceable provision there shall be added automatically as part of this Assignment and Bill of Sale a provision as similar in terms to such invalid, void or unenforceable provision as may be valid, binding and enforceable.

10. This Assignment and Bill of Sale may be executed in any number of counterparts, and all counterparts so executed shall constitute one Assignment and Bill of Sale, binding upon all of the parties hereto, notwithstanding that all the parties are not signatory to the original or same counterpart.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Bill of Sale, to be effective at the Effective Time.

ASSIGNORS:

**GAVILAN RESOURCES, LLC**

By: \_\_\_\_\_

Name:

Title:

**STATE OF TEXAS       §**  
**COUNTY OF HARRIS   §**

This instrument was acknowledged before me on \_\_\_\_\_, 2020, by [\_\_\_\_\_] as [\_\_\_\_\_] of Gavilan Resources, LLC, a Delaware limited liability company, on behalf of said company.

[seal]

\_\_\_\_\_  
Notary Public in and for the State of Texas

**GAVILAN RESOURCES MANAGEMENT SERVICES, LLC**

By: \_\_\_\_\_

Name:

Title:

**STATE OF TEXAS       §**  
**COUNTY OF HARRIS   §**

This instrument was acknowledged before me on \_\_\_\_\_, 2020, by [\_\_\_\_\_] as [\_\_\_\_\_] of Gavilan Resources Management Services, LLC, a Delaware limited liability company, on behalf of said company.

[seal]

\_\_\_\_\_  
Notary Public in and for the State of Texas

**Annex A**

**Leases**

[To be attached]



**Annex B**

**Conveyed Wells**

[To be attached]

**Annex C**

**Assigned Contracts**

[To be attached]

**Annex D**

**Permits**

[To be attached]

**Annex E**

**Excluded Contracts and Other Assets**

[To be attached]

**Annex F**

**Other Excluded Assets**

[To be attached]

**Exhibit A**

**Order**

[To be attached]

## Exhibit C

### ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT (this “Agreement”) is entered into as of the [●] day of [●], 2020 (the “Closing Date”), by and among Crimson Resources LLC, a Delaware limited liability company (“Buyer”), and Gavilan Resources, LLC, a Delaware limited liability company (“Resources”), and Gavilan Resources Management Services, LLC, a Delaware limited liability company (“ManagementCo” and, together with Resources, each a “Seller” and, collectively, the “Sellers”).

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of November 11, 2020, by and between Buyer and Sellers (the “Purchase Agreement”), Sellers have agreed to sell, transfer and assign to Buyer, and Buyer has agreed to purchase and acquire from Sellers, all of Sellers’ right, title and interest in and to the Assets;

WHEREAS, pursuant to Section 2.05(b) of the Purchase Agreement, Buyer has agreed to assume, from and after the Closing, the Assumed Liabilities (as defined below); and

WHEREAS, simultaneously herewith the Closing has occurred.

NOW, THEREFORE, for and in consideration of the transfer by Sellers to Buyer of the Assets, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Buyer, Buyer hereby agrees as follows:

1. Definitions. Unless the context otherwise requires, all capitalized terms used but not defined herein and defined in the Purchase Agreement, shall have the meanings ascribed to such terms in the Purchase Agreement.

2. Assumption. Buyer hereby undertakes, assumes, covenants to pay, perform, observe the terms of, satisfy and/or discharge if, as, when and to the extent due in accordance with the terms thereof, the following liabilities and obligations of Sellers (individually an “Assumed Liability” and collectively, the “Assumed Liabilities”):

(a) all Property Expenses to the extent attributable to the Assets and related to periods from and after the Effective Time (other than Property Expenses for which the Purchase Price is increased pursuant to Section 2.04(a) of the Purchase Agreement);

(b) all other Liabilities (other than Property Expenses) under or associated with or appurtenant to the Assets, to the extent related to periods from and after the Effective Time, including without limitation all such Liabilities arising out of the operation and/or ownership of the Assets from and after the Effective Time;

(c) all Liabilities under, associated with or appurtenant to the Assets with respect to Environmental Claims whether arising on, before or after the Effective Time, including without limitation those related to the control, storage, handling, transporting and disposing of or discharge of all materials, substances and wastes from the Assets (including produced water, hydrogen sulfide gas, drilling fluids, NORM and other wastes);

(d) costs, expenses and Liabilities attributable to obligations to plug Wells included in the Assets, dismantle or decommission facilities, close pits and restore the surface around such Wells, facilities and pits;

(e) Taxes allocated to Buyer pursuant to Section 7.07(a) and Section 7.07(c) of the Purchase Agreement;

(f) all Liabilities related to the payment of Burdens (i) attributable to Buyer Hydrocarbons (other than Burdens paid or borne by Sellers and taken into account pursuant to Section 2.04(b)(ii)(A) of the Purchase Agreement), and (ii) attributable to Effective Time Hydrocarbons to the extent not paid or borne by Sellers as of Closing;

(g) all of Sellers' Liabilities under the Purchased Contracts (including the Purchased Contracts set forth on Annex A hereto), subject to the immediately preceding clause (f);

(h) all of Sellers' Liabilities with respect to Imbalances with Third Parties attributable to the Assets; and

(i) all Liabilities with respect to the Cure Costs required to be paid by Buyer in accordance with Section 5.03(i) of the Purchase Agreement;

*provided, however*, that notwithstanding anything to the contrary in clauses (a) through (i) above, the Assumed Liabilities shall not include the Enumerated Excluded Liabilities.

3. Excluded Liabilities. Notwithstanding anything to the contrary in the Purchase Agreement or elsewhere in this Agreement, the "Assumed Liabilities" shall not include any Excluded Liabilities, which Sellers expressly retain. "Excluded Liabilities" means all Liabilities of Sellers and their Affiliates that are not Assumed Liabilities, including, for the avoidance of doubt, the Enumerated Excluded Liabilities.

4. Effect. The undertakings, covenants and agreements contained herein shall be binding upon Buyer and its successors, assignees and legal representatives and shall inure to the benefit of Sellers and Buyer and their respective successors, assigns and legal representatives.

5. Counterparts. This Agreement may be executed in any number of counterparts, and all counterparts so executed shall constitute one Agreement, binding upon all of the parties hereto, notwithstanding that all the parties are not signatory to the original or same counterpart.

6. Governing Law; Jurisdiction. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to any conflicts of law or principle that might refer to construction of such provisions to the laws of another jurisdiction. Each Seller and Assignee agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contained in or contemplated by this Agreement (whether in contract or tort), exclusively in (a) the Bankruptcy Court so long as the Bankruptcy Cases remain open and (b) after the close of the Bankruptcy Cases, or in the event that the Bankruptcy Court determines that it does not have jurisdiction, the United States District Court for the Southern



District of Texas or any Texas State court sitting in Houston, Texas (together with the Bankruptcy Court, the “Chosen Courts”), and solely in connection with claims arising under this Agreement or the transactions contained in or contemplated by this Agreement (whether in contract or tort) (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto and (iv) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 14.01 of the Purchase Agreement. EACH SELLER AND BUYER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

7. Agreement Subject to Purchase Agreement. This Agreement is expressly subject to the terms and conditions of the Purchase Agreement, which terms are hereby incorporated into this Agreement by reference for all purposes. In the event of a conflict between the terms of this Agreement and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall control.

8. Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; and in lieu of each such invalid, void or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such invalid, void or unenforceable provision as may be valid, binding and enforceable.

9. Assignment. No party may assign their respective rights or delegate their respective duties or obligations arising under this Agreement, in whole or in part, by operation of law or otherwise, without the prior written consent of the other party.

*[Signature Page Follows]*

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

**BUYER:**

CRIMSON RESOURCES LLC

By: \_\_\_\_\_

Name:

Title:

**SELLERS:**

**GAVILAN RESOURCES, LLC**

By: \_\_\_\_\_  
Name:  
Title:

**GAVILAN RESOURCES MANAGEMENT  
SERVICES, LLC**

By: \_\_\_\_\_  
Name:  
Title:

**Annex A**

**Purchased Contracts**

[To be attached]

**Exhibit D****SELLER CERTIFICATE****[●], 2020**

THIS CERTIFICATE (this “Certificate”) is being delivered pursuant to Section 2.05(c)(v) of that certain Asset Purchase Agreement, dated as of November 11, 2020, by and between Crimson Resources LLC, a Delaware limited liability company (“Buyer”), and Gavilan Resources, LLC, a Delaware limited liability company (“Resources”), and Gavilan Resources Management Services, LLC, a Delaware limited liability company (“ManagementCo” and, together with Resources, each a “Seller” and, collectively, “Sellers”, and such agreement, as the same may be amended, modified or supplemented from time to time, the “Purchase Agreement”).

The undersigned, being a duly appointed officer of each of Sellers, hereby certifies that he or she is authorized to execute and deliver this Certificate on behalf of each Seller and further certifies to Buyer, on behalf of each Seller (and not in his or her individual capacity), that:

1. each Seller has performed in all material respects all of its covenants and other obligations under the Purchase Agreement required to be performed by it on or prior to the Closing Date; and

2. the representations and warranties of Sellers set forth in Article III of the Purchase Agreement are true and correct in all material respects at and as of the Closing Date, as if made at and as of the Closing Date, other than those representations and warranties that are made as of a specific earlier date which representations and warranties need not be true and correct as of the Closing Date but are true and correct in all material respects as of such specific earlier date (*provided*, that, in each case, for purposes of this paragraph 2, in determining whether such representations and warranties are true and correct in all material respects, all qualifications in such representations or warranties as to “material” or “in all material respects,” or similar materiality qualifiers shall be disregarded).

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Purchase Agreement.

*[Signature Page Follows.]*

IN WITNESS WHEREOF, each of the undersigned has executed this Certificate as of the date first written above.

**SELLERS:**

**GAVILAN RESOURCES, LLC**

By: \_\_\_\_\_

Name:

Title:

**GAVILAN RESOURCES MANAGEMENT  
SERVICES, LLC**

By: \_\_\_\_\_

Name:

Title:

**Exhibit E-1****CERTIFICATE OF NON-FOREIGN STATUS****[●], 2020**

Section 1445 of the Internal Revenue Code of 1986, as amended (the “Code”), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445 of the Code), the first regarded owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. Gavilan Resources, LLC, a Delaware limited liability company (the “Disregarded Entity”), is disregarded as separate from Gavilan Resources Holdco, LLC, a Delaware limited liability company (“Transferor”), under Treasury Regulations Section 301.7701-3, and is therefore a disregarded entity as defined in Treasury Regulations 1.1445-2(b)(2)(iii). To inform Crimson Resources LLC, a Delaware limited liability company (“Transferee”), that withholding of tax is not required upon the disposition of a U.S. real property interest by the Disregarded Entity, the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and Treasury Regulations);
2. Transferor is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii);
3. Transferor’s U.S. employer identification number is 36-4856425; and
4. Transferor’s office address is 920 Memorial City Way, Suite 1400, Houston, Texas 77024.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

*[Signature Page Follows]*

**TRANSFEROR:**

**GAVILAN RESOURCES HOLDCO, LLC**

By: \_\_\_\_\_

Name:

Title:



**Exhibit E-2**

**CERTIFICATE OF NON-FOREIGN STATUS**

**[●], 2020**

Section 1445 of the Internal Revenue Code of 1986, as amended (the “Code”), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445 of the Code), the first regarded owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform Crimson Resources LLC, a Delaware limited liability company (“Transferee”), that withholding of tax is not required upon the disposition of a U.S. real property interest by Gavilan Resources Management Services, LLC, a Delaware limited liability company (“Transferor”), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and Treasury Regulations);
2. Transferor is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii);
3. Transferor’s U.S. employer identification number is 81-5403961; and
4. Transferor’s office address is 920 Memorial City Way, Suite 1400, Houston, Texas 77024.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

*[Signature Page Follows]*

**TRANSFEROR:**

**GAVILAN RESOURCES MANAGEMENT  
SERVICES, LLC**

By: \_\_\_\_\_

Name:

Title:

**Exhibit F**

**BUYER CERTIFICATE**

**[●], 2020**

THIS CERTIFICATE (this “Certificate”) is being delivered pursuant to Section 2.05(d)(i) of that certain Asset Purchase Agreement, dated as of November 11, 2020, by and between Crimson Resources LLC, a Delaware limited liability company (“Buyer”), and Gavilan Resources, LLC, a Delaware limited liability company (“Resources”), and Gavilan Resources Management Services, LLC, a Delaware limited liability company (“ManagementCo” and, together with Resources, each a “Seller” and, collectively, “Sellers”, and such agreement, as the same may be amended, modified or supplemented from time to time, the “Purchase Agreement”).

The undersigned, being a duly appointed officer of Buyer, hereby certifies that he or she is authorized to execute and deliver this Certificate on behalf of Buyer and further certifies to Sellers, on behalf of Buyer (and not in his or her individual capacity), that:

1. Buyer has performed in all material respects all of its covenants and other obligations under the Purchase Agreement required to be performed by it on or prior to the Closing Date; and

2. the representations and warranties of Buyer contained in Article IV of the Purchase Agreement are true and correct in all material respects at and as of the Closing Date, as if made at and as of the Closing Date, other than those representations and warranties that are made as of a specific earlier date which representations and warranties need not be true and correct as of the Closing Date but are true and correct in all material respects as of such specific earlier date (*provided*, that, in each case, for purposes of this paragraph 2, in determining whether such representations and warranties are true and correct in all material respects, all qualifications in such representations or warranties as to “material” or “in all material respects,” or similar materiality qualifiers shall be disregarded).

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Purchase Agreement.

*[Signature Page Follows.]*

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first written above.

**BUYER:**

CRIMSON RESOURCES LLC

By: \_\_\_\_\_

Name:

Title:

**Exhibit G****ESCROW AGREEMENT**

THIS ESCROW AGREEMENT (this “Agreement”) is made and entered into as of [●], 2020, by and among Gavilan Resources, LLC, a Delaware limited liability company (“Resources”), Gavilan Resources Management Services, LLC, a Delaware limited liability company (“ManagementCo” and together with Resources, each a “Seller” and collectively, “Sellers”), Crimson Resources LLC, a Delaware limited liability company (“Buyer” and, together with the “Sellers”, sometimes referred to individually as a “Party” and collectively as the “Parties”), and Citibank, N.A., as escrow agent (the “Escrow Agent”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in that certain Asset Purchase Agreement dated as of November 11, 2020, by and between Sellers and Buyer (as the same may be amended from time to time in accordance with the provisions thereof, the “Purchase Agreement”).

**RECITALS**

WHEREAS, Sellers and certain of their affiliates are debtors in possession under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and, on May 15, 2020 filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Bankruptcy Cases”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”);

WHEREAS, Sellers and Buyer entered into the Purchase Agreement, pursuant to which, among other things, Buyer agreed to purchase and acquire from Sellers the Assets and assume the Assumed Liabilities upon the terms and subject to the conditions set forth in the Purchase Agreement;

WHEREAS, the Closing occurred on [●], 2020;

WHEREAS, in connection with the consummation of the transactions contemplated by the Purchase Agreement (and pursuant to Section 2.06(g) thereof), Sellers are delivering to the Escrow Agent an amount equal to \$[●]<sup>1</sup> (the “Escrow Amount”); and

WHEREAS, Sellers and Buyer desire that the Escrow Agent act as escrow agent in accordance with the terms hereof, and the Escrow Agent is willing to act in such capacity on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

---

<sup>1</sup> Note to Draft: The Escrow Amount will be equal to the greater of (x) an amount equal to ten percent (10%) of the unadjusted Purchase Price or (y) any unresolved amounts with respect to the Closing Statement disputed by Buyer in good faith in accordance with Section 2.04(d) of the Purchase Agreement.

1. Appointment. The Parties hereby appoint the Escrow Agent as the escrow agent for the purposes set forth herein. The Escrow Agent hereby accepts such appointment and agrees to act as escrow agent in accordance with the terms and conditions set forth herein.

2. Escrow Funds. Simultaneous with the execution and delivery of this Agreement, Sellers are depositing with the Escrow Agent the Escrow Amount in immediately available funds. The Escrow Agent hereby acknowledges receipt of the Escrow Amount (the Escrow Amount, together with all products and proceeds thereof, including all interest, dividends, gains and other income earned with respect thereto, the “Escrow Funds”) in separate and distinct account (the “Escrow Account”), subject to the terms and conditions of this Agreement.

3. Investment of Escrow Funds.

(a) Unless otherwise instructed in writing by the Parties, the Escrow Agent shall hold the Escrow Funds in a “noninterest-bearing deposit account” insured by the Federal Deposit Insurance Corporation (“FDIC”) to the applicable limits. The Escrow Funds shall at all times remain available for distribution in accordance with Section 4 below.

(b) The Escrow Agent shall prepare and send an account statement to each of the Parties on a monthly basis reflecting activity in the Escrow Account for the preceding month.

(c) The Escrow Agent shall have no responsibility for any investment losses resulting from the investment, reinvestment or liquidation of the Escrow Funds, as applicable, provided that the Escrow Agent has made such investment, reinvestment or liquidation of the Escrow Funds in accordance with the terms, and subject to the conditions of this Agreement. The Escrow Agent does not have a duty nor will it undertake any duty to provide investment advice.

4. Disposition and Termination of the Escrow Funds.

(a) Escrow Funds. The Escrow Agent shall hold and release the Escrow Funds as provided in this Section 4(a) as follows:

(i) Upon receipt of a Joint Release Instruction with respect to the Escrow Funds, the Escrow Agent shall promptly, but in any event within two (2) Business Days after receipt of a Joint Release Instruction, disburse all or part of the Escrow Funds in accordance with such Joint Release Instruction;

(ii) If at any time either Party receives a Final Determination (as defined below), such Party shall concurrently deliver to the Escrow Agent and the other Party a copy of such Final Determination, and upon receipt by the Escrow Agent of such copy, the Escrow Agent shall (i) promptly (but in any event within two (2) Business Days) deliver a copy of such Final Determination to the other Party; provided, however, that the Escrow Agent shall incur no liability for failing to deliver any courtesy copy of such Final Determination nor shall its delivery or failed delivery thereof give any Party any additional rights or otherwise extend the payment timeframe, and (ii) on the fifth Business Day following receipt by the Escrow Agent of the Final Determination, disburse as directed, part or all, as the case may be, of the Escrow Funds (but only to the extent of available Escrow Funds) in accordance with such Final Determination. Subject to the terms of this

Section 2(b), the Escrow Agent will act on such Final Determination without further inquiry; or

(iii) By delivering the Escrow Funds to a successor escrow agent pursuant to the provisions of Section 6.

All payments of any part of the Escrow Funds shall be made by wire transfer of immediately available funds or check as set forth in the Joint Release Instruction or Final Determination, as applicable.

Any instructions setting forth, claiming, containing, objecting to or in any way related to the transfer or distribution of any funds on deposit in the Escrow Account under the terms of this Agreement must be in writing, executed by the Parties as evidenced by the signatures of the person or persons set forth on Exhibit A-1 and Exhibit A-2 and, if delivered by e-mail, delivered to the Escrow Agent as an attachment to such e-mail from an e-mail address set forth in Section 11 below. In the event a Joint Release Instruction or Final Determination is delivered to the Escrow Agent, whether in writing, by e-mail or otherwise, the Escrow Agent is authorized to seek confirmation of such instruction by telephone call back to the person or persons designated on Exhibit A-1 and/or Exhibit A-2 annexed hereto (the "Call Back Authorized Individuals"), and the Escrow Agent may rely upon the confirmations of anyone purporting to be a Call Back Authorized Individual. To assure accuracy of the instructions it receives, the Escrow Agent may record such call backs. If the Escrow Agent is unable to verify the instructions, or is not satisfied with the verification it receives, it will not execute the instruction until all such issues have been resolved. The persons and telephone numbers for call backs may be changed only in writing, executed by an authorized signer of applicable Party set forth on Exhibit A-1 or Exhibit A-2, actually received and acknowledged by the Escrow Agent.

(b) Termination. The Escrow Account shall be deemed terminated and dissolved upon the disbursement by the Escrow Agent of the entire amount of the Escrow Funds in accordance with this Agreement.

(c) Certain Definitions.

(i) "Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are not required or authorized by law to be closed in New York, New York.

(ii) "Final Determination" means, with respect to the disposition of the Escrow Funds in the Escrow Account, a final non-appealable order of any arbitrator, including the "Referee" (as defined in the Purchase Agreement), or court of competent jurisdiction, including the Bankruptcy Court, which may be issued, together with (A) a certificate of the prevailing Party to the effect that such order is final and non-appealable and from an arbitrator or court of competent jurisdiction having proper authority and (B) the written payment instructions executed by an authorized signer of the prevailing Party to effectuate such order.

(iii) "Joint Release Instruction" means the joint written instruction executed by an authorized signer of each Seller and Buyer directing the Escrow Agent to

disburse all or a portion of the Escrow Funds, as applicable. A Joint Release Instruction shall contain complete payment instructions, including wiring instructions.<sup>2</sup>

(iv) “Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

5. Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, which shall be deemed purely ministerial in nature, and no other duties, including but not limited to any fiduciary duties, shall be implied. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document between the Parties, in connection herewith, including without limitation the Purchase Agreement, nor shall the Escrow Agent be required to determine if any Person has complied with any such agreements, nor shall any additional obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. Notwithstanding the terms of any other agreement between the Parties, the terms and conditions of this Agreement will control the actions of the Escrow Agent. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any Joint Release Instruction or Final Determination furnished to it hereunder and believed by it to be genuine and to have been signed and presented by an authorized signer of the proper Party or Parties. Concurrent with the execution of this Agreement, each Party shall deliver to the Escrow Agent authorized signers’ forms in the form of Exhibit A-1 and Exhibit A-2 attached hereto. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Escrow Agent shall have no duty to solicit any payments that may be due to the Escrow Agent or the Escrow Funds. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in the Escrow Agent’s opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in a Joint Release Instruction or Final Determination. The Escrow Agent may interplead all of the assets held hereunder into a court of competent jurisdiction (subject to Section 13) or may seek a declaratory judgment from a court of competent jurisdiction (subject to Section 13) with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or nonaction based on such declaratory judgment. The Escrow Agent may consult with legal counsel of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or its duties hereunder. The Escrow Agent will not be liable for any action taken, suffered or omitted to be taken by it in good faith except to the extent that the Escrow Agent’s fraud, gross negligence or willful misconduct was the cause of any direct loss to either Party. To the extent practicable, the Parties agree to pursue any redress or recourse in connection with any dispute without making the Escrow Agent a party to the same. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable

---

<sup>2</sup> Note to Draft: Joint Release Instruction to be delivered to the Escrow Agent following the final determination of the Adjusted Purchase Price in accordance with the terms of the Purchase Agreement.



for any special, indirect, punitive, incidental or consequential losses or damages of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such losses or damages and regardless of the form of action, except in the case of the Escrow Agent's fraud, gross negligence or willful misconduct as adjudicated by a court of competent jurisdiction.

6. Resignation and Removal of Escrow Agent. The Escrow Agent (a) may resign and be discharged from its duties or obligations hereunder by giving sixty (60) calendar days advance notice in writing of such resignation to the Parties specifying a date when such resignation shall take effect or (b) may be removed, with or without cause, by Sellers and Buyer acting jointly at any time by providing written notice to the Escrow Agent; provided that any such resignation or removal shall not relieve the Escrow Agent from any liability that arose from any action or inaction that occurred prior to the effective date of such resignation or removal. Any Person into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any Person to which all or substantially all of the escrow business of the Escrow Agent's line of business may be transferred, shall be the Escrow Agent under this Agreement without further act. Except as otherwise set forth in this Agreement, the Escrow Agent's sole responsibility after such sixty (60) day notice period expires or after receipt of written notice of removal shall be to hold and safeguard the Escrow Funds (without any obligation to reinvest the same) and to deliver the same (i) to a substitute or successor escrow agent pursuant to a joint written designation from the Parties, (ii) as set forth in a Joint Release Instruction or (iii) in accordance with the directions of a Final Determination, and, at the time of such delivery, the Escrow Agent's obligations hereunder shall cease and terminate. In the event the Escrow Agent resigns, if the Parties have failed to appoint a successor escrow agent prior to the expiration of sixty (60) calendar days following receipt of the notice of resignation, the Escrow Agent may petition any court of competent jurisdiction (subject to Section 13) for the appointment of such a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon all of the parties hereto.

7. Fees and Expenses. All fees and expenses of the Escrow Agent are described in Schedule 1 attached hereto and shall be paid one-half by Sellers and one-half by Buyer. The fees agreed upon for the services to be rendered hereunder are intended as full compensation for the Escrow Agent services as contemplated by this Agreement.

8. Indemnity. Each of the Parties shall jointly and severally indemnify, defend and hold harmless the Escrow Agent and its affiliates and their respective successors, assigns, directors, officers, agents and employees (the "Indemnitees") from and against any and all losses, damages, claims, liabilities, penalties, judgments, settlements, actions, suits, proceedings, litigation, investigations, costs or expenses (including the reasonable and documented fees and expenses of one outside counsel and experts and their staffs and all expense of document location, duplication and shipment) (collectively "Escrow Agent Losses") arising out of or in connection with (a) the Escrow Agent's execution and performance of this Agreement, tax reporting or withholding resulting from this Agreement, the enforcement of any rights or remedies under or in connection with this Agreement, or as may arise by reason of any act, omission or error of the Indemnitee, except to the extent that such Escrow Agent Losses, as determined by a court of competent jurisdiction, in a final non-appealable judgment, have been caused by the fraud, gross negligence or willful misconduct of such Indemnitee, or (b) its following any instructions or other directions from Sellers or Buyer in accordance with this Agreement. The Parties hereby grant the

Escrow Agent a lien on, right of set-off against and security interest in, the Escrow Funds for the payment of any reasonable claim for indemnification, expenses and amounts due hereunder. In furtherance of the foregoing, the Escrow Agent is expressly authorized and directed, but shall not be obligated, upon prior written notice to the Parties, to charge against and withdraw from the Escrow Funds for its own account or for the account of an indemnitee any amounts due to the Escrow Agent or to an indemnitee under this Section 8. Notwithstanding anything to the contrary herein, Sellers and Buyer agree, solely as between themselves, that any obligation for indemnification under this Section 8 (or for the fees and expenses of the Escrow Agent described in Section 7) shall be borne by the Party or Parties determined by a court of competent jurisdiction to be responsible for causing the loss, damage, liability, cost or expense against which the Escrow Agent is entitled to indemnification or, if no such determination is made, then one-half by Sellers and one-half by Buyer. The Parties acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement.

9. Tax Matters.

(a) Sellers shall be responsible for and the taxpayer on all taxes due on the interest or income earned, if any, on the Escrow Funds for the calendar year in which such interest or income is earned. The Escrow Agent shall report any interest or income earned on the Escrow Funds to the Internal Revenue Service (“IRS”) or other taxing authority on IRS Form 1099. Each Party shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 as applicable and such other forms and documents that the Escrow Agent may reasonably request.

(b) The Escrow Agent shall be responsible only for income reporting to the IRS with respect to income earned on the Escrow Funds. The Escrow Agent shall withhold any taxes required to be withheld by applicable law, including but not limited to required withholding in the absence of proper tax documentation, and shall remit such taxes to the appropriate authorities.

(c) The Escrow Agent, its affiliates and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citigroup, Inc. and its affiliates. This Agreement and any amendments or attachments hereto are not intended or written to be used, and may not be used or relied upon, by any such taxpayer or for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

10. Covenant of Escrow Agent. The Escrow Agent hereby agrees and covenants with Sellers and Buyer that it shall perform all of its obligations under this Agreement and shall not deliver custody or possession of any of the Escrow Funds to anyone except pursuant to the express terms of this Agreement or as otherwise required by law.

11. Notices. All notices, requests, demands and other communications required under this Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) on the day of transmission if sent by electronic mail (“e-mail”) with a PDF attachment executed by an authorized signer of the applicable Party or the Escrow Agent, as applicable to the e-mail address given below, and written confirmation of receipt is obtained (provided that the recipient shall promptly acknowledge receipt thereof), (iii) by overnight delivery

with a reputable national overnight delivery service, or (iv) by mail or certified mail, return receipt requested and postage prepaid. If notice is given to a Party, it shall be given at the address for such Party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes.

if to Sellers, then to:

c/o Gavilan Resources Holdings, LLC  
920 Memorial City Way, Suite 1400  
Houston, Texas 77024  
Attention: General Counsel  
E-mail: john.zabaneh@gavilanresources.com

with a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP  
200 Crescent Court, Suite 300  
Dallas, Texas 75201  
Attention: Rodney L. Moore  
Samuel C. Peca  
E-mail: rodney.moore@weil.com  
samuel.peca@weil.com

or, if to Buyer, then to:

c/o Crimson Energy Partners IV  
420 Commerce Street, Suite 200  
Fort Worth, Texas 76102  
Attention: Will Kiker  
Email: wkiker@crimsonenergy.com

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP  
1601 Elm Street  
Dallas, Texas 75201  
Attention: Thomas Laughlin  
E-mail: thomas.laughlin@kirkland.com

or, if to the Escrow Agent, then to:

Citibank, N.A.  
Citi Private Bank  
388 Greenwich Street, 29<sup>th</sup> Floor  
New York, NY 10013  
Attention: William T. Lynch, Director  
E-mail: william.lynch@citi.com

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to the foregoing clause (i) through (iv) of this Section 11, such communications shall be deemed to have been given on the date received by the Escrow Agent, or, if any notice is mailed, it shall be deemed given two (2) Business Days after the date such notice is deposited with the United States Postal Service. In the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate.

12. Termination. This Agreement shall terminate on the first to occur of (a) the distribution of all of the amounts in the Escrow Account in accordance with this Agreement and (b) subject to Section 6, (i) delivery to the Escrow Agent of a written notice of termination executed jointly by Sellers and Buyer or (ii) the Escrow Agent's delivery of a notice of resignation to Sellers and Buyer, after which this Agreement shall be of no further force and effect except that the provisions of Section 8 hereof shall survive termination.

13. Miscellaneous. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties hereto. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any party without the prior consent of the other parties; provided, however, that each Seller and Buyer may (i) assign any or all of their respective rights and interests hereunder to one or more of their respective Affiliates and (ii) designate one or more of their respective Affiliates to perform their respective obligations hereunder (in any or all of which cases Sellers or Buyer, as the case may be, nonetheless shall remain responsible for the performance of all of its obligations hereunder). This Agreement shall be governed by and construed under the laws of the State of Delaware without giving effect to the conflict of law principles thereof. Each party irrevocably waives any objection on the grounds of venue, *forum non-conveniens* or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the exclusive jurisdiction of the Bankruptcy Court or if, for any reason the Bankruptcy Court shall not have jurisdiction, any other court of competent jurisdiction located in the State of Delaware. The parties hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising from or relating to this Agreement. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the parties to this Agreement may be transmitted by electronic transmission in portable document format (.pdf), and such .pdf will, for all purposes, be deemed to be the original signature of such party whose signature it reproduces, and will be binding upon such party. If any provision of this Agreement is determined to be prohibited or unenforceable by reason of any applicable law of a jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. Each party hereto represents, warrants and covenants to the other parties hereto that each document, notice, instruction or request provided by such party to such other parties shall comply with applicable laws and regulations. Except as expressly provided in Section 8, nothing in this Agreement, whether express or implied, shall be construed to give to any person or entity other than the Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of this Agreement or any funds escrowed hereunder. As between the Parties,

nothing in this Agreement waives or modifies any right or obligation under the Purchase Agreement and in the event of any conflict between this Agreement and the Purchase Agreement, the applicable provisions of the Purchase Agreement shall control to the extent of such conflict.

14. Compliance with Court Orders. In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, that it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree the Escrow Agent shall not be liable to any of the Parties or to any other Person, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

15. Further Assurances. Following the date hereof, each party shall deliver to the other parties such further information and documents and shall execute and deliver to the other parties such further instruments and agreements as any other party shall reasonably request to consummate or confirm the transactions provided for herein, to accomplish the purpose hereof or to assure to any other party the benefits hereof.

16. Force Majeure. The Escrow Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder by reason of any occurrence beyond its control (including, but not limited to, any provision of any present or future law or regulation or any act of any governmental authority, any act of God or war or terrorism, or the unavailability of the Federal Reserve Bank wire services or any electronic communication facility), it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

18. Compliance with Federal Law. To help the United States Government fight the funding of terrorism and money laundering activities and to comply with federal law requiring financial institutions to obtain, verify and record information on the source of funds deposited to an account, the Parties agree to provide the Escrow Agent with the name, address, taxpayer identification number and remitting bank for all Parties depositing funds into the Escrow Account pursuant to the terms and conditions of this Agreement. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses and identification and authorization documents from individuals claiming authority to represent any entity or other relevant documentation.

19. Use of Citibank Name. No publicly distributed printed or other material in any language, including prospectuses, notices, reports and promotional material that mentions "Citibank" by name or the rights, powers or duties of the Escrow Agent under this Agreement shall be issued by any other parties hereto, or on such party's behalf, without the prior written consent of the Escrow Agent. By execution of this Agreement, the Escrow Agent consents to any disclosure of the rights, powers and duties of the Escrow Agent under this Agreement in connection

with any filings made by a Seller in the Bankruptcy Cases and in any notices required to be made in the Bankruptcy Cases.

\* \* \* \* \*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

**SELLERS:**

**GAVILAN RESOURCES, LLC**

By: \_\_\_\_\_

Name:

Its:

**GAVILAN RESOURCES MANAGEMENT SERVICES, LLC**

By: \_\_\_\_\_

Name:

Its:

**BUYER:**

**CRIMSON RESOURCES LLC**

By: \_\_\_\_\_

Name:

Its:

**ESCROW AGENT:**

**CITIBANK, N.A.**

By: \_\_\_\_\_

Name:

Its:

**Schedule 1**

**ESCROW AGENT FEE SCHEDULE  
Citibank, N.A., Escrow Agent**

**Acceptance Fee**

To cover the acceptance of the Escrow Agency appointment, the study of the Agreement and supporting documents submitted in connection with the execution and delivery thereof, and communication with other members of the working group:

**Fee: WAIVED**

**Administration Fee**

The annual administration fee covers maintenance of the Escrow Account including safekeeping of assets in the escrow account, normal administrative functions of the Escrow Agent, including maintenance of the Escrow Agent's records, follow-up of the Agreement's provisions and any other safekeeping duties required by the Escrow Agent under the terms of the Agreement. Fee is based on Escrow Amount being deposited in a non-interest bearing deposit account, FDIC insured to the applicable limits.

**Fee: WAIVED**

**Tax Preparation Fee**

To cover preparation and mailing of Forms 1099-INT, if applicable for the escrow parties for each calendar year:

**Fee: WAIVED**

**Transaction Fees**

To oversee all required disbursements or release of property from the escrow account to any escrow party, including cash disbursements made via check and/or wire transfer, fees associated with postage and overnight delivery charges incurred by the Escrow Agent as required under the terms and conditions of the Agreement:

**Fee: WAIVED**

**Other Fees**

Material amendments to the Agreement: additional fee(s), if any, to be discussed at time of amendment.

---

**TERMS AND CONDITIONS:** The above schedule of fees does not include charges for out-of-pocket expenses or for any services of an extraordinary nature that Citibank or its legal counsel may be called upon from time to time to perform. Fees are also subject to satisfactory review of the documentation, and Citibank reserves the right to modify them should the characteristics of the transaction change. Citibank's participation in this program is subject to internal approval of the third party depositing monies into the escrow account to be established hereunder. The Acceptance Fee, if any, is payable upon execution of the Agreement. Should this schedule of fees be accepted and agreed upon and work commenced on this program but subsequently halted and the program is not brought to market, the Acceptance Fee and legal fees incurred, if any, will still be payable in full.



EXHIBIT A-1

Certificate as to Sellers' Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Sellers and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under this Agreement, on behalf of Sellers. The below listed persons (must list at least two individuals, if applicable) have also been designated Call Back Authorized Individuals and will be notified by Citibank N.A. upon the release of Escrow Funds from the escrow account(s).

<u>Name / Title / Telephone</u>	<u>Specimen Signature</u>
_____	_____
Name	Signature
_____	_____
Title	E-mail
_____	_____
Phone	Mobile Phone
_____	_____
Name	Signature
_____	_____
Title	E-mail
_____	_____
Phone	Mobile Phone
_____	_____
Name	Signature
_____	_____
Title	E-mail
_____	_____
Telephone	Mobile Phone

NOTE: Actual signatures are required above. Electronic signatures, "DocuSigned" signatures and/or signature fonts are not acceptable.

EXHIBIT A-2

Certificate as to Buyer's Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Buyer and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under this Agreement, on behalf of Buyer. The below listed persons (must list at least two individuals, if applicable) have also been designated Call Back Authorized Individuals and will be notified by Citibank N.A. upon the release of Escrow Funds from the escrow account(s).

<u>Name / Title / Telephone</u>	<u>Specimen Signature</u>
_____	_____
Name	Signature
_____	_____
Title	E-mail
_____	_____
Phone	Mobile Phone
_____	_____
Name	Signature
_____	_____
Title	E-mail
_____	_____
Phone	Mobile Phone
_____	_____
Name	Signature
_____	_____
Title	E-mail
_____	_____
Telephone	Mobile Phone

NOTE: Actual signatures are required above. Electronic signatures, "DocuSigned" signatures and/or signature fonts are not acceptable.

## Exhibit H

### SPECIAL WARRANTY

Sellers hereby agree to warrant and defend for a period ending on the Cut-Off Date, Acceptable Title to the Title Wells unto Buyer, its successors and assigns, against every Person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Sellers, but not otherwise, subject to the Permitted Liens, and only as to claims raised by Buyer in writing to Sellers pursuant to the notice provisions of this Agreement prior to the Cut-Off Date. Buyer shall not be entitled to recovery on a claim against the Special Warranty set forth in this Exhibit H (i) except to the extent such claim constitutes a Title Defect (*provided* Sellers shall, upon Sellers' request, have at least thirty (30) days after receipt of notice of any claim of a Title Defect to attempt to cure such Title Defect) and (ii) as to any Title Well with respect to which a Title Defect exists, for an amount exceeding the Allocated Value of the affected Title Well. Notwithstanding anything in this Exhibit H or otherwise in this Agreement to the contrary, in no event shall Sellers be liable to Buyer for any claims against the Special Warranty for any amounts other than out of amounts in the Post-Closing Escrow Account.

The Special Warranty described in this Exhibit H shall be and hereby is incorporated by reference into the Assignment and Bill of Sale delivered to Buyer at Closing.

As used in this Exhibit H, the following capitalized terms shall have the meanings ascribed below:

(a) “Acceptable Title” means, as to each Well set forth on Annex B (each, a “Title Well”), such right, title and interest that, except for Permitted Liens, as of the Effective Time and the Closing Date is deducible of record or title evidenced by unrecorded instruments or elections, in each case, made or delivered pursuant to joint operating agreements, pooling agreements or unitization agreements and:

(i) entitles Sellers to receive not less than the Net Revenue Interest set forth on Annex B for such Title Well for Hydrocarbons produced, saved and marketed from such Title Well (subject to rounding), except for (1) decreases in connection with those operations in which Sellers or their successors or assigns may from and after the Execution Date be a non-consenting co-owner, (2) decreases resulting from the establishment or amendment from and after the Execution Date of pools or units, (3) decreases required to allow other Working Interest owners to make up past underproduction or pipelines to make up past under deliveries, (4) decreases resulting from changes in tract or production allocations resulting from elections to participate or not participate in operations after the Execution Date, (5) decreases resulting from actions taken on behalf of or directed by Buyer, (6) decreases resulting from any reversion of interest to a co-owner with respect to operations in which such co-owner, after the Execution Date, elects not to consent, and (7) as otherwise expressly set forth on Annex B;

(ii) obligates Sellers to pay or otherwise bear costs and expenses attributable to the operation and development of such Title Well in an amount not greater than the Working Interest set forth in Annex B (subject to rounding) for

such Title Well, except for (1) increases resulting from contribution requirements with respect to defaulting co-owners from and after the Execution Date under applicable operating agreements, communitization agreements or pooling orders, (2) increases resulting from the carrying of non-participating interest owners or co-tenants in Leases with respect to the drilling of any Well from and after the Execution Date, (3) increases to the extent that such increases are accompanied by a proportionate increase in Sellers' Net Revenue Interest with respect to such Title Well as set forth on Annex B, (4) increases resulting from actions taken on behalf of or directed by Buyer, (5) increases resulting from the establishment or amendment from and after the Execution Date of pools or units and (6) as otherwise expressly set forth on Annex B; and

(iii) is free and clear of all Liens.

(b) "Permitted Liens" means:

(i) easements, restrictive covenants, servitudes, permits, surface leases and other rights with respect to surface operations, and rights-of-way on, over or in respect of any of the Oil and Gas Properties that, singularly or in the aggregate, do not materially interfere with the ownership or operation of the affected Oil and Gas Properties for the production of Hydrocarbons;

(ii) all Applicable Laws and all rights reserved to or vested in any Governmental Authority: (i) to control or regulate the Assets in any manner, (ii) by the terms of any right, power, franchise, grant, license or Permit issued by any Governmental Authority, or by any provision of Applicable Law, to terminate such right, power, franchise, grant, license or permit or to purchase, condemn, expropriate or recapture or to designate a purchaser of any Asset; (iii) to use such Asset in a manner which does not materially impair the use of such property for the purposes for which it is currently owned and operated; or (iv) to enforce any obligations or duties affecting the Assets to any Governmental Authority with respect to any franchise, grant, license or permit;

(iii) the terms, conditions, restrictions, exceptions, reservations, limitations and other matters (including acreage dedications thereof) contained (i) in the Leases, (ii) the Contracts, instruments and documents disclosed on Disclosure Schedule 3.05(a), (iii) the Preferential Purchase Rights disclosed on Disclosure Schedule 3.05(a) or Disclosure Schedule 3.17, and all preferential purchase rights contained in any operating agreement to which the Oil and Gas Properties are subject, whether or not disclosed on Disclosure Schedule 3.05(a) or Disclosure Schedule 3.17 and (iv) the ROW Interests;

(iv) Liens for Taxes or other governmental fees (1) not yet due and payable, (2) the nonpayment of which is permitted or required by the Bankruptcy Court or (3) that are being contested in good faith;

(v) mechanic's, materialmen's, carrier's, supplier's, vendor's, repairer's or other similar statutory Liens arising in the ordinary course of business securing amounts that are not delinquent or are being contested in good faith;

(vi) utility easements, restrictive covenants, zoning, entitlement, building, subdivision, environmental and other similar restrictions that, singularly or in the aggregate, do not materially interfere with the operation of the Oil and Gas Properties for the production of Hydrocarbons;

(vii) Liens created by Buyer or any of their respective successors or assigns;

(viii) inchoate liens or security interests created pursuant to statutory provisions in favor of working interest owners in jurisdictions where the Oil and Gas Properties are located;

(ix) all lessors' Burdens and all other Liens, rights to take in kind and any burden or right, provided for in any Oil and Gas Lease or in any other Contract or instrument disclosed on Disclosure Schedule 3.05(a) or otherwise reflected on Annex B that do not, individually or in the aggregate operate to reduce Sellers' Net Revenue Interest in an Oil and Gas Property below that shown in Annex B or increase Sellers' Working Interest in an Oil and Gas Property above that shown in Annex B without a proportionate increase in the corresponding Net Revenue Interest shown in Annex B;

(x) all Consents and all rights to consent by, required notices to, filings with, or other actions by Governmental Authorities in connection with the conveyance of the Oil and Gas Properties, if the same are customarily sought and received after Closing;

(xi) such other defects or irregularities of title or encumbrances as Buyer may have waived in writing;

(xii) any maintenance of uniform interest provision in a joint or unit operating agreement if waived by the party or parties having the right to enforce such provision or if the violation of such provision would not give rise to the unwinding of the sale and transfer of the affected Oil and Gas Property from Sellers to Buyer;

(xiii) conventional rights of reassignment obligating Sellers to reassign their interest in any portion of the Oil and Gas Properties to a Third Party, if such right is only triggered upon an express indication of intent to release or abandon such interest prior to the expiration of the primary term or other termination of such interest;

(xiv) any Lien affecting the Assets that is fully discharged by Sellers at or prior to the Closing;

(xv) Liens created under Leases, Permits, easements, rights-of-way (including ROW Interests) or Purchased Contracts, or by operation of law in respect of obligations that are not yet due or that are being contested in good faith by appropriate proceedings by or on behalf of Sellers;

(xvi) rights of a common owner of any interest in rights-of-way, Permits or easements (including ROW Interests) held by Sellers and such common owner as tenants in common or through common ownership;

(xvii) any matters set forth on Annex A, all litigation and claims set forth on Disclosure Schedule 3.10, and all Imbalances set forth on Disclosure Schedule 3.09;

(xviii) limitations (including drilling and operating limitations) imposed on the Assets by reason of the rights of subsurface owners or operators in a common property (including the rights of coal, utility and timber owners);

(xix) all depth restrictions or limitations applicable to any Asset;

(xx) zoning and planning ordinances and municipal regulations.

(c) “Title Defect” means any condition, effect or change which, in Buyer’s reasonable, good faith opinion based on customary industry standards, causes Sellers’ right, title or interest in and to a Title Well to be less than Acceptable Title to such Title Well; *provided* that:

(i) no Title Defect that is not reasonably expected to have a value or Liability, as applicable, of \$10,000 or more shall constitute a Title Defect for purposes of this Agreement;

(ii) if an Allocated Value has not been given with respect to a Title Well or if the Allocated Value for any Title Well is zero, Sellers shall be conclusively presumed to have Acceptable Title to such Title Wells for purposes of this Agreement; and

(iii) the term “Title Defect” shall not be deemed to exist based on:

(A) defects based solely on (1) lack of information in Sellers’ files, (2) references to an unrecorded document to which no Seller nor any Affiliate of Sellers is a party, if such document is not in Sellers’ files, or (3) any Tax assessment, Tax payment or similar records or the absence of such activities or records;

(B) defects in the chain of title consisting of the failure to recite marital status or omissions of successors or heirship proceedings, unless Buyer provides affirmative evidence that such failure or omission has resulted in a Third Party’s actual and superior claim of title to the Title Well;

(C) defects asserting a change in net revenue interests or Working Interests based on an after-payout decrease in net revenue interests or increase in Working Interests

pursuant to a farm-in, farm-out or other agreement that is listed on Disclosure Schedule 3.05(a), if the effect of such change is reflected in the net revenue interests and Working Interests set forth in Annex B;

(D) defects arising solely out of the lack of a survey, unless a survey is expressly required by Applicable Law;

(E) defects to the extent arising out of lack of corporate or other entity authorization, unless Buyer provides affirmative evidence that such corporate or other entity action has resulted, or could reasonably be expected to result, in another Person's claim of superior title to the relevant Title Well;

(F) defects that have been conclusively established to have been cured by Applicable Laws of limitations or prescription as evidenced by a final, non-appealable judgment, affidavits of use and possession by one (1) or more knowledgeable but disinterested persons, or other affirmative evidence customarily relied upon by experienced title examiners to satisfy title opinion requirements relating to title by limitations;

(G) defects arising from any Lease failing to have pooling provisions (*provided* that the applicable lessors have ratified unit declarations, if required);

(H) defects arising from prior expired oil and gas leases not being surrendered or released of record, unless Buyer provides affirmative evidence that such prior oil and gas lease is still in effect or such failure has resulted, or could reasonably be expected to result, in another Person's claim of superior title to the relevant Title Well;

(I) defects arising from any Imbalances, whether resulting from overproduction or underproduction;

(J) defects or irregularities resulting from or related to probate proceedings or the lack thereof that have been outstanding for ten (10) years or more;

(K) defects based upon the exercise of any Preferential Purchase Right;

(L) any Lien or loss of title resulting from Sellers' conduct of business after the Execution Date pursuant to actions specifically required of Sellers pursuant to this Agreement or otherwise in compliance with this Agreement;

(M) defects based solely upon the failure to record (1) any state or federal Leases or rights-of-way (including ROW Interests) included in the Assets or any assignments of interests in such Leases or rights-of-way (including ROW Interests) included in the Assets in any applicable county records or (2) any forced pooling order executed and delivered by a Governmental Authority, in each case, in any applicable county records, unless such failure has resulted or is reasonably likely to result in another Person's superior claim of title to the relevant Asset; and the Parties acknowledge that in the event of any defects, discrepancies or irregularities in the Working Interests or Net Revenue Interests in the Assets as evidenced in the chain of title records in any applicable county as compared to any forced pooling order subsequently created and delivered by a Governmental Authority,

the Working Interests and Net Revenue Interests as evidenced in such forced pooling order shall control for all purposes of this Agreement;

(N) defects arising from any Lien created by a mineral owner which has not been subordinated to the lessee's interest; and

(O) defects that affect only which Person has the right to receive Burden payments (rather than the amount of the proper payment of such Burden payment) and that do not affect the validity of the underlying Lease, in each case, to the extent the same does not operate to: (A) decrease the Net Revenue Interest with respect to any Title Well to an amount less than the Net Revenue Interest set forth on Annex B for such Title Well or (B) obligate Sellers to bear a Working Interest with respect to any Title Well in an amount greater than the Working Interest set forth on Annex B for such Title Well (unless the Net Revenue Interest for such Title Well is greater than the Net Revenue Interest set forth on Annex B in the same proportion as any increase in such Working Interest).

[End of Exhibit H]



---

---

**ANNEXES, SCHEDULES AND DISCLOSURE SCHEDULES**

**to the**

**ASSET PURCHASE AGREEMENT**

**dated as of**

**November 11, 2020**

**by and between**

**GAVILAN RESOURCES, LLC and**

**GAVILAN RESOURCES MANAGEMENT SERVICES, LLC,**

**as Sellers**

**and**

**CRIMSON RESOURCES LLC,**

**as Buyer**

---

---

## ANNEXES, SCHEDULES AND DISCLOSURE SCHEDULES

### Annexes

Annex A	Oil and Gas Leases
Annex B	Wells
Annex C	Applicable Contracts
Annex D	Permits
Annex E	PUD Locations

### Schedules

Schedule 1.01	Allocated Values
Schedule 2.02(k)	Excluded Contracts and Other Assets
Schedule 5.03(a)	365 Schedule
Schedule 5.03(b)	Desired 365 Contracts

### Disclosure Schedules

Disclosure Schedule 3.05(a)	Material Contracts
Disclosure Schedule 3.05(b)	Material Contract Defaults
Disclosure Schedule 3.06(a)	Approvals
Disclosure Schedule 3.07	Environmental Matters
Disclosure Schedule 3.08	Well Status
Disclosure Schedule 3.09	Imbalances
Disclosure Schedule 3.10	Litigation
Disclosure Schedule 3.12	Intellectual Property
Disclosure Schedule 3.13	Insurance Coverage
Disclosure Schedule 3.14	Taxes
Disclosure Schedule 3.16	Outstanding Obligations
Disclosure Schedule 3.17	Preferential Purchase Rights
Disclosure Schedule 3.19	Burdens
Disclosure Schedule 3.20	No Violation of Laws
Disclosure Schedule 3.21	Leases
Disclosure Schedule 3.23	Suspense Funds

**Annex A**  
**Oil and Gas Leases**

LEASE CODE	LEASE NAME	LESSEE	EFFECTIVE DATE	EXPIRATION DATE	COUNTY	LEGAL DESCRIPTION	BOOK	PAGE
T0625001	ALVAN BLALACK JR ET UX	SUN OIL COMPANY	02/08/1968	02/08/1973	Dimmit		27	384
T0625002	FLOYD R PORTER	SUN OIL COMPANY	02/13/1968	02/13/1973	Zavala		3	172
T0625003	JOHN B BAGGETT ET AL	SUN OIL COMPANY	03/01/1968	03/01/1978	Zavala		3	251
T0625004	ERIN BAIN JONES	SUN OIL COMPANY	06/03/1968	06/03/1973	Zavala		3	578
T0625005	ERIN BAIN JONES	SUN OIL COMPANY	06/03/1968	06/03/1973	Zavala		3	582
T0625006	ERIN BAIN JONES	SUN OIL COMPANY	06/03/1968	06/03/1973	Zavala		3	586
T0625007	ERIN BAIN JONES	SUN OIL COMPANY	06/03/1968	06/03/1973	Zavala		3	590
T0625008	JOHN B BAGGETT ET AL	SUN OIL COMPANY	01/09/1969	01/09/1979	Zavala Dimmit		4 29	425 86
T0625009-001	DOYLE STANDIFER ET UX	SUN OIL COMPANY	05/06/1969	05/06/1974	Dimmit		29	322
T0625009-002	CHARLES B NICHOLS JR ET UX	SUN OIL COMPANY	04/21/1971	04/21/1976	Dimmit		37	257
T0625010	MINNIE HELEN BORMAN	SUN OIL COMPANY	05/16/1969	05/16/1974	Dimmit		29	332
T0625011	G G BOYD ET AL	SUN OIL COMPANY	05/19/1969	05/19/1974	Dimmit		29	355
T0625012-001	MARILYN D ANDERSON ET AL	SUN OIL COMPANY	05/13/1969	05/13/1974	Dimmit		29	377
T0625012-002	L B BEACH ET AL	SUN OIL COMPANY	05/13/1969	05/13/1974	Dimmit		29	381
T0625013	LILLIAN SPEAS ET AL	SUN OIL COMPANY	05/19/1969	05/19/1974	Dimmit		29	366

LEASE CODE	LEASE NAME	LESSEE	EFFECTIVE DATE	EXPIRATION DATE	COUNTY	LEGAL DESCRIPTION	BOOK	PAGE
T0625014	RUTH W HOLLINSHEAD ET AL	SUN OIL COMPANY	06/06/1969	06/06/1974	Dimmit		29	359
T0625015	JAMES F MINX	SUN OIL COMPANY	09/16/1969	09/16/1974	Dimmit		29	469
T0625016	DOLORES SEDLOCK ET VIR	SUN OIL COMPANY	09/16/1969	09/16/1974	Dimmit		30	10
T0625017	ALLYEDEL H CROCKETT	SUN OIL COMPANY	06/20/1970	06/20/1975	Dimmit		31	330
T0625018	LARRY D GOMEZ	SUN OIL COMPANY	06/26/1970	06/26/1975	Dimmit		31	464
T0625019-001	AUDREY HAWKINS ET AL	SUN OIL COMPANY	09/01/1970	09/01/1975	Dimmit		33	505
T0625019-002	PAUL E EFAW ET UX	SUN OIL COMPANY	11/10/1971	11/10/1976	Dimmit		39	193
T0625020	B M PRICE ET UX	THE SUPERIOR OIL COMPANY	02/17/1969	02/17/1979	Dimmit		29	293
T0625021	MARY M RODRIGUEZ	SUN OIL COMPANY	04/14/1971	04/14/1976	Dimmit		147	136
T0625022	OLGA R KINNARD ET AL	SUN OPERATING LIMITED PARTNERSHIP	06/24/1988	06/24/1993	Zavala Dimmit		97 55	145 185
T0625023	JOHN F ROBERTSON	SUN OPERATING LIMITED PARTNERSHIP	05/30/1989	05/30/1994	Zavala		57	53
T0625024-001	ROY L BROWN JR	SUN OPERATING LIMITED PARTNERSHIP	06/19/1989	06/19/1994	Zavala		57	68
T0625024-002	MARTHA W BAILEY	SUN OPERATING LIMITED PARTNERSHIP	06/19/1989	06/19/1994	Zavala		57	65
T0625024-003	FRED L JOHNSTON JR ET AL	SUN OPERATING LIMITED PARTNERSHIP	06/19/1989	06/19/1994	Zavala		57	76
T0625025-001	BETTY SUE PRICE OFFNER ET VIR	FOX AND HOLLAND	02/08/1982	02/08/1987	Dimmit		82	666
T0625025-002	ROBERT PRICE ET UX	FOX & HOLLAND	02/08/1982	02/08/1987	Dimmit		82	671

LEASE CODE	LEASE NAME	LESSEE	EFFECTIVE DATE	EXPIRATION DATE	COUNTY	LEGAL DESCRIPTION	BOOK	PAGE
T0625025-003	MARY MAY PRICE RIHA ET VIR	FOX & HOLLAND	02/08/1982	02/08/1987	Dimmit		82	676
T0625026	I L TAYLOR	ROBERT C SINCLAIR	04/01/1970	04/01/1980	Dimmit		33	122
T0625027	MILDA M OLSON ET AL	ROBERT C SINCLAIR	04/14/1970	04/14/1975	Dimmit		30	460
T0625028	WALTER SCOTT LIGHT	LIGHTNING OIL COMPANY	01/01/1970	01/01/1980	Dimmit		30	270
T0625029	SAL ALVIN ARMSTRONG	J W DOAK	04/18/1970	04/18/1975	Dimmit		30	495
T0625030	ERIN BAIN JONES	W W OATMAN	05/11/1970	05/11/1975	Dimmit		31	186

**Annex B**  
**Wells**

API14	API10	WELL NAME	WELL STATUS	WORKING INTEREST	NET REVENUE INTEREST
42127337500000	4212733750	BOYD GG IH	Producing	33.3333%	29.16666%

Annex C  
Applicable Contracts

**Joint Operating Agreements**

SELLER PARTY	COUNTERPARTY	TITLE	DATE
Gavilan Resources LLC	Executed by Anadarko E&P Company LP; Eagle Ford TX LP. Current counterparties are Eagle Ford TX LP, SN EF Maverick, LLC and SN EF UnSub, LP	Joint Operating Agreement (KNOG APC JOA - Big Wells)	January 1, 2011

### Contracts

PARTY NAME	COUNTERPARTY	TITLE OF CONTRACT	DATE
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	Purchase and Sale Agreement	January 12, 2017
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	First Amendment to Purchase and Sale Agreement	March 1, 2017
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	Second Amendment to Purchase and Sale Agreement	March 1, 2017
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	Third Amendment to Purchase and Sale Agreement	June 28, 2017
Gavilan Resources, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; SN EF Unsub, LP	Joint Development Agreement	March 1, 2017
Gavilan Resources, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; SN EF Unsub, LP	Letter Agreement re: Joint Development Agreement	March 1, 2017
Gavilan Resources, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore LP; SN EF Maverick, LLC; SN EF Unsub, LP	Development Agreement	March 1, 2017
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	Gathering, Processing and Purchasing Agreement (Dedication)	September 1, 2008
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	First Amendment to Gathering, Processing and Purchasing Agreement	October 28, 2009
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	Second Amendment to Gathering, Processing and Purchasing Agreement	August 1, 2014
Gavilan Resources, LLC	Originally by and between SN EF Maverick, LLC Carnero G&P LLC	Firm Gas Gathering, Processing and Purchasing Agreement	April 1, 2018
Gavilan Resources, LLC	SN EF Maverick, LLC; Carnero G&P, LLC; Eagle Ford TX LP; Venado EF L.P.	Amendment to Firm Gas Gathering, Processing and Purchase Agreement	April 1, 2018
Anadarko E&P Company LP	Kerr-McGee Oil & Gas Onshore LP Eagle Ford TX LP	Participation Agreement (MAVERICK BASIN AREA JV W/ EAGLE FORD)	March 17, 2011



**Annex D**  
**Permits**

None.

**Annex E**  
**PUD Locations**

None.

**Schedule 2.02(k)**  
**Excluded Contracts and Other Assets**

None.

**Schedule 5.03(a)**  
**365 Schedule**

<b>PARTY NAME</b>	<b>COUNTERPARTY</b>	<b>TITLE OF CONTRACT</b>	<b>DATE</b>	<b>PROPOSED CURE AMOUNT (\$)</b>
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	Purchase and Sale Agreement	January 12, 2017	0
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	First Amendment to Purchase and Sale Agreement	March 1, 2017	0
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	Second Amendment to Purchase and Sale Agreement	March 1, 2017	0
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; Anadarko Energy Services Company; Kerr-McGee Oil & Gas Onshore, LP	Third Amendment to Purchase and Sale Agreement	June 28, 2017	0
Gavilan Resources, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; SN EF Unsub, LP	Joint Development Agreement	March 1, 2017	0
Gavilan Resources, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; SN EF Unsub, LP	Letter Agreement re: Joint Development Agreement	March 1, 2017	0
Gavilan Resources, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore LP; SN EF Maverick, LLC; SN EF Unsub, LP	Development Agreement	March 1, 2017	0
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	Gathering, Processing and Purchasing Agreement (Dedication)	September 1, 2008	0
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	First Amendment to Gathering, Processing and Purchasing Agreement	October 28, 2009	0
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	Second Amendment to Gathering, Processing and Purchasing Agreement	August 1, 2014	0
Gavilan Resources LLC	Executed by Anadarko E&P Company LP; Eagle Ford TX LP. Current counterparties are Eagle Ford TX LP, SN EF Maverick, LLC and SN EF UnSub, LP	Joint Operating Agreement (KNOC APC JOA - Big Wells)	January 1, 2011	0

PARTY NAME	COUNTERPARTY	TITLE OF CONTRACT	DATE	PROPOSED CURE AMOUNT (\$)
Gavilan Resources, LLC	Originally by and between SN EF Maverick, LLC Carnero G&P LLC	Firm Gas Gathering, Processing and Purchasing Agreement	April 1, 2018	0
Gavilan Resources, LLC	SN EF Maverick, LLC; Carnero G&P, LLC; Eagle Ford TX LP; Venado EF L.P.	Amendment to Firm Gas Gathering, Processing and Purchase Agreement	April 1, 2018	0
Anadarko E&P Company LP	Kerr-McGee Oil & Gas Onshore LP Eagle Ford TX LP	Participation Agreement (MAVERICK BASIN AREA JV W/ EAGLE FORD)	March 17, 2011	0

**Disclosure Schedule 3.05(a)**  
**Material Contracts**

<b>PARTY NAME</b>	<b>COUNTERPARTY</b>	<b>TITLE OF CONTRACT</b>	<b>DATE</b>
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	Purchase and Sale Agreement	January 12, 2017
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	First Amendment to Purchase and Sale Agreement	March 1, 2017
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	Second Amendment to Purchase and Sale Agreement	March 1, 2017
Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; Anadarko Energy Services Company; Kerr-McGee Oil & Gas Onshore, LP	Third Amendment to Purchase and Sale Agreement	June 28, 2017
Gavilan Resources, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; SN EF Unsub, LP	Joint Development Agreement	March 1, 2017
Gavilan Resources, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; SN EF Unsub, LP	Letter Agreement re. Joint Development Agreement	March 1, 2017
Gavilan Resources, LLC	Anadarko E&P Onshore LLC; Kerr-Mcgee Oil & Gas Onshore LP; SN EF Maverick, LLC; SN EF Unsub, LP	Development Agreement	March 1, 2017
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	Gathering, Processing and Purchasing Agreement (Dedication)	September 1, 2008
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	First Amendment to Gathering, Processing and Purchasing Agreement	October 28, 2009
Anadarko Petroleum Corp.	Enterprise South Texas Gathering L.P.	Second Amendment to Gathering, Processing and Purchasing Agreement	August 1, 2014
Gavilan Resources LLC	Executed by Anadarko E&P Company LP; Eagle Ford TX LP. Current counterparties are Eagle Ford TX LP, SN EF Maverick, LLC and SN EF UnSub, LP	Joint Operating Agreement (KNOC APC JOA - Big Wells)	January 1, 2011
Gavilan Resources, LLC	Originally by and between SN EF Maverick, LLC Carnero G&P LLC	Firm Gas Gathering, Processing and Purchasing Agreement	April 1, 2018

PARTY NAME	COUNTERPARTY	TITLE OF CONTRACT	DATE
Gavilan Resources, LLC	SN EF Maverick, LLC; Carnero G&P, LLC; Eagle Ford TX LP; Venado EF L.P.	Amendment to Firm Gas Gathering, Processing and Purchase Agreement	April 1, 2018
Anadarko E&P Company LP	Kerr-McGee Oil & Gas Onshore LP Eagle Ford TX LP	Participation Agreement (MAVERICK BASIN AREA JV W/ EAGLE FORD)	March 17, 2011

(xv)

1. Credit Agreement dated as of March 1, 2017, among Gavilan Resources, LLC, as the Borrower, the several Lenders from time to time parties thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent, Swingline Lender and an Issuing Bank, as amended by the First Amendment to Credit Agreement dated February 28, 2018, the Second Amendment to the Credit Agreement dated April 13, 2018, the Third Amendment to Credit Agreement dated October 19, 2018 and the Fourth Amendment to Credit Agreement dated May 2, 2019.
2. Collateral Agreement dated as of March 1, 2017, among Gavilan Resources, LLC, Gavilan Resources Holdco, LLC, each Grantor listed on Schedule I thereto, and JPMorgan Chase Bank, N.A., as Collateral Agent and Administrative Agent.
3. Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement dated as of March 1, 2017, by Gavilan Resources, LLC, in favor of Michael A. Kamauf, as Trustee for the benefit of JPMorgan Chase Bank, N.A. as Administrative Agent, for its benefit and the benefit of the Secured Parties with respect to all Deed of Trust Property and with respect to all UCC Collateral.
4. Second Lien Credit Agreement dated as of March 1, 2017, among Gavilan Resources, LLC, as the Borrower, the several Lenders from time to time parties thereto, and Citibank, N.A., as Administrative Agent and Collateral Agent.
5. Collateral Agreement dated as of March 1, 2017, among Gavilan Resources, LLC, Gavilan Resources Holdco, LLC, each Grantor listed on Schedule I thereto, and Citibank, N.A., as Collateral Agent and Administrative Agent.
6. Second Lien Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement dated as of March 1, 2017, by Gavilan Resources, LLC in favor of Joseph Ruffini, as Trustee for the benefit of Citibank, N.A., in its capacity as Administrative Agent, for its benefit and the benefit of the Secured Parties with respect to all Deed of Trust Property and with respect to all UCC Collateral.

**Disclosure Schedule 3.05(b)**  
**Material Contract Defaults**

(i)

1. Default under the Credit Agreement dated as of March 1, 2017, among Gavilan Resources, LLC, as the Borrower, the several Lenders from time to time parties thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent, Swingline Lender and an Issuing Bank, as amended by the First Amendment to Credit Agreement dated February 28, 2018, the Second Amendment to the Credit Agreement dated April 13, 2018, the Third Amendment to Credit Agreement dated October 19, 2018 and the Fourth Amendment to Credit Agreement dated May 2, 2019.
2. Default under the Second Lien Credit Agreement dated as of March 1, 2017, among Gavilan Resources, LLC, as the Borrower, the several Lenders from time to time parties thereto, and Citibank, N.A., as Administrative Agent and Collateral Agent.

(ii)

1. Collateral Agreement dated as of March 1, 2017, among Gavilan Resources, LLC, Gavilan Resources Holdco, LLC, each Grantor listed on Schedule I thereto, and JPMorgan Chase Bank, N.A., as Collateral Agent and Administrative Agent.
2. Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement dated as of March 1, 2017, by Gavilan Resources, LLC, in favor of Michael A. Kamauf, as Trustee for the benefit of JPMorgan Chase Bank, N.A. as Administrative Agent, for its benefit and the benefit of the Secured Parties with respect to all Deed of Trust Property and with respect to all UCC Collateral.
3. Collateral Agreement dated as of March 1, 2017, among Gavilan Resources, LLC, Gavilan Resources Holdco, LLC, each Grantor listed on Schedule I thereto, and Citibank, N.A., as Collateral Agent and Administrative Agent.
4. Second Lien Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement dated as of March 1, 2017, by Gavilan Resources, LLC in favor of Joseph Ruffini, as Trustee for the benefit of Citibank, N.A., in its capacity as Administrative Agent, for its benefit and the benefit of the Secured Parties with respect to all Deed of Trust Property and with respect to all UCC Collateral.



**Disclosure Schedule 3.06**

**Approvals**

AGREEMENT	AGREEMENT TYPE	PARTY	COUNTERPARTY	DATE	ACTION REQUIRED
Purchase and Sale Agreement		Gavilan Resources, LLC, f/k/a Aguila Production, LLC	Anadarko E&P Onshore LLC; Kerr-Megee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF UnSub, LP	January 12, 2017	Assignment: Consent required.
Joint Development Agreement	Development Agreement	Gavilan Resources, LLC	Sanchez Energy Corporation; SN EF Maverick, LLC; SN EF Unsub, LP	March 1, 2017	Assignment: Consent required.
Development Agreement	Marketing	Gavilan Resources, LLC	Anadarko E&P Onshore LLC; Kerr-Megee Oil & Gas Onshore, LP; SN EF Maverick, LLC; SN EF Unsub, LP	March 1, 2017	Assignment: Consent required.

AGREEMENT	AGREEMENT TYPE	PARTY	COUNTERPARTY	DATE	ACTION REQUIRED
Firm Gas Gathering, Processing and Purchase Agreement	Marketing	Gavilan Resources, LLC	Originally by and between SNEF Maverick, LLC Camero G&P LLC	April 1, 2018	Assignment: Consent required.

**Disclosure Schedule 3.07**  
**Environmental Matters**

None.

**Disclosure Schedule 3.08**  
**Well Status**

None.

**Disclosure Schedule 3.09**  
**Imbalances**

None.

**Disclosure Schedule 3.10**  
**Litigation**

	<b>Case name</b>	<b>BRIEF DESCRIPTION</b>	<b>STATUS</b>
1.	Gavilan Resources, LLC et al. (“Gavilan”) v. Sanchez Energy Corporation et al. (“Sanchez”); Case No. 20-03021, U.S. Bankruptcy Court Southern District of Texas	This is a dispute over the operatorship of certain valuable oil and natural gas assets, the operation of which is governed by certain operation and development agreements between the parties.	Court ruling was issued on July 1, 2020. The status of the court order will be updated when filed.
2.	Any claims asserted against SN EF Maverick, LLC (or any successor entity) of which Sellers are not aware as of the Execution Date.		

**Disclosure Schedule 3.12**  
**Intellectual Property**

None.

**Disclosure Schedule 3.13**  
**Insurance Coverage**

Coverage	Policy Number	Insurer	Limits	Retention / Attachment	Policy Period
Workers' Compensation and Employers Liability	UB-7L824387-20-N2-G	Travelers	Statutory / \$1,000,000	\$0	4/1/2020 – 4/1/2021
Automobile Liability	BA-8M90738A-20-N2-G	Travelers	\$1,000,000	\$0	4/1/2020 – 4/1/2021
General Liability	H-660-7K901914-IND-20	Travelers	\$1,000,000 / \$2,000,000	\$0	4/1/2020 – 4/1/2021
Property	H-660-7K901914-IND-20	Travelers	\$3,528,000	\$1,000	4/1/2020 – 4/1/2021
Umbrella	CUP-2N230337-20-N2	Travelers	\$5,000,000	\$10,000	4/1/2020 – 4/1/2021
Directors & Officers Liability (Primary)	G271518930 001	Chubb	\$10,000,000	Clause A: \$0 Clauses B & C: \$250,000	4/30/2020 – 4/30/2021
Directors & Officers Liability (1st Excess)	01-354-45-15	AIG	\$10,000,000	\$10,000,000	4/30/2020 – 4/30/2021
Directors & Officers Liability (2nd Excess)	PC5EX00091-191	Everest	\$10,000,000	\$20,000,000	4/30/2020 – 4/30/2021



Coverage	Policy Number	Insurer	Limits	Retention / Attachment	Policy Period
Directors & Officers Liability (3rd Excess)	1000621577191	Starr	\$10,000,000	\$30,000,000	4/30/2020 – 4/30/2021
Excess Directors & Officers Liability – Side A	G25610180 003	Chubb	\$5,000,000	\$25,000 / \$40,000,000	4/30/2020 – 4/30/2021
Employment Practices Liability	G71767449 001	Chubb	\$1,000,000	\$25,000	4/30/2020 – 4/30/2021
Fiduciary Liability	G71767449 001	Chubb	\$500,000	\$0	4/30/2020 – 4/30/2021

**Disclosure Schedule 3.14**

**Taxes**

None.

**Disclosure Schedule 3.16**  
**Outstanding Obligations**

None.

**Disclosure Schedule 3.17**  
**Preferential Purchase Rights**

1. Tag-Along Right provided in Maverick Basin Area Participation Agreement dated as of January 1, 2011, by and among Anadarko E&P Company LP, Kerr-McGee Oil & Gas Onshore LP and Eagle Ford TX LP.
2. Tag-Along Right and Right of First Offer provided in Joint Development Agreement, dated March 1, 2017, by and among Gavilan Resources, LLC, SN EF Maverick, LLC, SN EN Unsub, LP and Sanchez Energy Corporation (solely with respect to Section 2.2, 4.2, 4.5 and Article VII).

**Disclosure Schedule 3.19**  
**Burdens**

None.

**Disclosure Schedule 3.20**  
**No Violation of Laws**

None.

**Disclosure Schedule 3.21**

**Leases**

None.

**Disclosure Schedule 3.23**  
**Suspense Funds**

None.



United States Bankruptcy Court  
Southern District of Texas

In re:  
Gavilan Resources, LLC  
Gavilan Resources Holdings, LLC  
Debtor(s)

Case No. 20-32656-mi  
Chapter 11

**CERTIFICATE OF NOTICE**

District/off: 0541-4  
Date Rcvd: Nov 23, 2020

User: TylerLaws  
Form ID: pdf002

Page 1 of 2  
Total Noticed: 22

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.
#	Addresses marked '#' were identified by the USPS National Change of Address system as requiring an update. While the notice was still deliverable, the notice recipient was advised to update its address with the court immediately.

**Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Nov 25, 2020:**

Recip ID	Recipient Name and Address
db	+ Gavilan Resources HoldCo, LLC, 920 Memorial City Way, Suite 1400, Houston, TX 77024-1355
db	+ Gavilan Resources Holdings, LLC, 920 Memorial City Way, Suite 1400, Houston, TX 77024-1355
db	+ Gavilan Resources Management Services, LLC, 920 Memorial City Way, Suite 1400, Houston, TX 77024-1355
db	+ Gavilan Resources, LLC, 920 Memorial City Way, Suite 1400, Houston, TX 77024-1355
aty	+ James A Newton, Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-0050
aty	Jamie A Levitt, Morrison & Foerster LLP, 250 Westt 55th Street, New York, NY
aty	+ Michael D Birnbaum, Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-0050
intp	+ Akin Gump Strauss Hauer & Feld LLP, 2300 N. Field Street, Suite 1800, Dallas, TX 75201-4675
cr	#+ Aparicion Minerals, LP, et al., c/o Ross Spence, Snow Spence Green LLP, 2929 Allen Parkway, Suite 2800 Houston, TX 77019-7125
cr	+ Briscoe Ranch, Inc., Waller Lansden Dortch & Davis, 100 Congress Ave., Suite 1800, Austin, TX 78701 UNITED STATES 78701-4042
cr	+ Dimmit County Tax Office, c/o Owen M. Sonik, PBFCM, LLP, 1235 N. Loop W., Suite 600, Houston, TX 77008-1772
intp	#+ Fitzsimons Oil and Gas Management Trust, c/o Ross Spence, Snow Spence Green LLP, 2929 Allen Parkway, Suite 2800, Houston, TX 77019-7125
cr	+ Janey Briscoe Marmion GST Trust, c/o James A. Hoffman, Langley & Banack, Inc., 745 E. Mulberry Avenue, Ste. 700 San Antonio, TX 78212-3172
intp	+ Miramar Holdings, LP, c/o MHKH (attn: John Cornwell), 700 Milam Street, Suite 2700, Houston, TX 77002-2730
cr	+ Rancho La Cochina Minerals, Ltd., c/o James A. Hoffman, Langley & Banack, Inc., 745 E. Mulberry Avenue, Ste. 700 San Antonio, TX 78212-3172
intp	+ SN EF Maverick, LLC, Matthew D. Cavanaugh, Jackson Walker LLP, 1401 McKinney Street, Suite 1900 Houston, TX 77010-1900
intp	Texas Comptroller of Public Accounts, Unclaimed Pr, c/o Attorney General's Office, Bankruptcy & Collections Division, P. O. Box 12548 MC-008, Austin, TX 78711-2548
cr	Texas Workforce Commission, Christopher S. Murphy, c/o Sherri K. Simpson, Paralegal, PO Box 12548, Austin, TX 78711-2548

TOTAL: 18

**Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.**

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	+ Email/Text: houston_bankruptcy@LGBS.com	Nov 23 2020 20:50:00	Harris County, Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064, Houston, TX 77253-3064
cr	+ Email/Text: aheckman@cjmhlaw.com	Nov 23 2020 20:49:00	Robert Edward Worthey Trust, c/o Shelley Bush Marmon, Crady Jewett McCulley & Houren LLP, 2727 Allen Parkway, Suite 1700, Houston, TX 77019, UNITED STATES 77019-2125
cr	+ Email/Text: aheckman@cjmhlaw.com	Nov 23 2020 20:49:00	Tonya Hedleston Trust, c/o Shelley Bush Marmon, Crady Jewett McCulley & Houren LLP, 2727 Allen Parkway, Suite 1700, Houston, TX 77019, UNITED STATES 77019-2125
cr	+ Email/Text: aheckman@cjmhlaw.com	Nov 23 2020 20:49:00	Worthey Properties, Ltd., c/o Shelley Bush Marmon, Crady Jewett McCulley & Houren LLP, 2727 Allen Parkway, Suite 1700, Houston, TX 77019, UNITED STATES 77019-2125

TOTAL: 4

District/off: 0541-4  
Date Rcvd: Nov 23, 2020

User: TylerLaws  
Form ID: pdf002

Page 2 of 2  
Total Noticed: 22

## BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, \*duplicate of an address listed above, \*P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
cr		B. L. Stanley, Ltd.
cr		City of Houston and Spring Branch Independent Scho
intp		ETC Texas Pipeline, Ltd.
cr		GSO Capital Partners, LP
cr		GSO ST Holdings, LP and GSO St Holdings Associates
cr		Humble ISD and Harris County Municipal Utility Dis
cr		JPMorgan Chase Bank, N.A.
intp		Mesquite Energy, Inc.
intp		Occidental Petroleum Corporation
cr		Regions Bank
cr		SN EF UnSub, LP
intp		Sanchez Energy Corporation Ad Hoc Group of Holders
cr		Second Lien Ad Hoc Group
cr		Spring Branch Independent School District, City of
cr		Springfield Pipeline LLC
cr		TPL SouthTex Processing Company LP
cr		Teresa Kountz Trust
cr		WGR Operating, LP
cr		Western Midstream Partners, LP
cr		Wilmington Trust, National Association

TOTAL: 20 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

## NOTICE CERTIFICATION

**I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.**

**Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.**

Date: Nov 25, 2020

Signature:           /s/Joseph Speetjens