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

In re:	§	Chapter 11
CHESAPEAKE ENERGY CORPORATION, *et al.*,[1]	§	Case No. 20-33233 (DRJ)
Reorganized Debtors.	§	(Jointly Administered)

STIPULATION AND AGREED ORDER REGARDING CLAIMS AND DISPUTES AMONG MARATHON AND THE REORGANIZED DEBTORS

The above-captioned reorganized debtors (before the Effective Date[2] of their Plan, the "Debtors," and after the Effective Date of their Plan, the "Reorganized Debtors") and Marathon Oil Company ("Claimant," and together with the Debtors or Reorganized Debtors, the "Parties") hereby enter into this stipulation and agreed order (this "Stipulation and Agreed Order") as follows:

WHEREAS, the Parties are parties to certain executory contracts (collectively, the "Marathon Agreements"), pursuant to which the Parties have joint interest billings in connection with certain wells;

WHEREAS, on June 28, 2020 (the "Petition Date"), the Debtors commenced these chapter 11 cases;

[1] A complete list of each of the Reorganized Debtors in these chapter 11 cases may be obtained on the website of the Reorganized Debtors' claims and noticing agent at https://dm.epiq11.com/chesapeake. The location of Reorganized Debtor Chesapeake Energy Corporation's principal place of business and the Reorganized Debtors' service address in these chapter 11 cases is 6100 North Western Avenue, Oklahoma City, Oklahoma 73118.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the *Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and Its Debtor Affiliates* [Docket No. 2833] (the "Plan").

WHEREAS, on August 13, 2020, the Court entered the *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form of and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief* [Docket No. 787] (the "Bar Date Order"), establishing certain dates and deadlines for filing proofs of claim in these chapter 11 cases. Among other things, the Bar Date Order established October 30, 2020, at 5:00 p.m., prevailing Central Time, as the deadline for filing all "claims" (as defined in section 101(5) of the Bankruptcy Code) against any of the Debtors that arose before the Petition Date, except for claims specifically exempt from complying with the Bar Date Order;

WHEREAS, on October 30, 2020, the Claimant timely filed proof of claim number 12961 (the "Proof of Claim") for a secured amount of $661,653.89 against Debtor Chesapeake Exploration, L.L.C. ("CELLC") to preserve amounts allegedly owed to Claimant by CELLC, if any, in connection with the Marathon Agreements;

WHEREAS, on January 16, 2021, the Bankruptcy Court entered the *Order Confirming Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and Its Debtor Affiliates* [Docket No. 2915] (the "Confirmation Order") confirming the Plan;

WHEREAS, on March 26, 2021, the Reorganized Debtors filed the *Fifth Amended Plan Supplement for the Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and Its Debtor Affiliates* [Docket No. 3338] (the "Plan Supplement"), whereby the Reorganized Debtors assumed the Marathon Agreements. The Claimant was not opposed to Chesapeake's assumption of the Marathon Agreements, but there was a dispute between the Parties

as to the cure amount, if any, required to satisfy the provisions of sections 365(b)(1)(A) and 365(b)(1)(B) of the Bankruptcy Code (the "Marathon Cure Amount");

WHEREAS, the Parties have consensually agreed, after good faith, arm's-length negotiations, to resolve any and all claims, causes of action, suits, debts, sums of money, controversies, claims to property, damages, judgments, and demands, in law or equity, known or unknown, asserted or unasserted, with respect to, related to, arising under, or in connection with the Proof of Claim, the Marathon Cure Amount, and the Bankruptcy Code, which were or could have been asserted in these chapter 11 cases, on the terms set forth in the settlement agreement attached hereto as **Exhibit A** (the "Settlement Agreement") and this Stipulation and Agreed Order.

NOW, THEREFORE, IT IS STIPULATED AND AGREED as follows:

1. In full and final satisfaction of the Proof of Claim, the Marathon Cure Amount, and any and all other claims related thereto, between the Claimant on the one hand, and any of the Debtors or the Reorganized Debtors on the other hand:

   a. The Reorganized Debtors shall pay to the Claimant the sum of $45,850.00 within fourteen (14) days of entry of this Stipulation and Agreed Order; and

   b. The Claimant shall withdraw the Proof of Claim no later than fourteen (14) days within entry of this Stipulation and Agreed Order.

2. With the exception of certain future, normal course prior period adjustments, as described in the Settlement Agreement, and any amounts accruing on or after February 9, 2021 related to the Marathon Agreements, and upon the performance of all the terms, conditions, duties, and obligations contained in the Settlement Agreement and this Stipulation and Agreed Order, the Parties release and discharge each other and each other's officers, directors, shareholders, partners, agents, employees, attorneys and professionals, affiliates, subsidiaries (direct and indirect), predecessors, successors in interest, heirs, successors and assigns from any and all claims, causes of action, suits, debts, sums of money, controversies, claims to property, damages, judgments,

demands whatsoever, in law or equity, known or unknown, asserted or unasserted, with respect to, related to, arising from, or in connection with the Proof of Claim, the Marathon Cure Amount, and these chapter 11 cases, which were or could have been asserted in these chapter 11 cases, regardless of the legal or equitable theory upon which the same may be based.

3. The Parties are authorized to take all actions necessary to implement this Stipulation and Agreed Order.

4. Upon entry of this Stipulation and Agreed Order, it shall be binding on the Parties, the Debtors' estates, all creditors and parties in interest, and on any trustee appointed in these cases.

5. Nothing in this Stipulation and Agreed Order shall be interpreted to impair in any way the rights, claims, or defenses reserved under the Plan with regard to or on behalf of the Parties, except to the extent inconsistent with the terms of the Stipulation and Agreed Order.

IT IS SO ORDERED.

Signed: _____, 2021
Houston, Texas

_____
DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

STIPULATED AND AGREED TO THIS 11TH DAY OF NOVEMBER, 2021:

By: /s/ *Mathew D. Cavenaugh*

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By: /s/ *C. Josh Osborne*

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Counsel to the Claimant

EXHIBIT A

Settlement Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement (this "**Agreement**") shall take effect as of the Effective Date (as defined below), by and between Chesapeake Exploration, L.L.C. and certain affiliated companies (collectively, "**Chesapeake**") and Marathon Oil Company ("**Marathon**").[1] Chesapeake and Marathon are referred to collectively as the "**Parties**," and each is a "**Party**" to this Agreement.

RECITALS

A. On June 28, 2020 (the "**Petition Date**"), Chesapeake filed the voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (11 U.S.C. § 101 *et seq.*, the "**Bankruptcy Code**"), in the United States Bankruptcy Court for the Southern District of Texas – Houston Division (the "**Court**"). These bankruptcy cases were jointly administered in the Court under Case No. 20-33233 (DRJ) (such jointly administered bankruptcy cases, the "**Bankruptcy Case**").

B. On October 30, 2020, Marathon filed proof of claim number 12961 in the Bankruptcy Case for a secured amount of $661,653.89 against Chesapeake (the "**Proof of Claim**") to preserve any claim amounts owed to Marathon by Chesapeake for certain joint interest billings in connection with certain wells.

C. On January 12, 2021, Chesapeake filed the *Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and Its Debtor Affiliates* (the "**Plan**"). Under the terms of that Plan, Chesapeake assumed certain executory contracts and unexpired leases listed in an accompanying plan supplement (as amended on March 26, 2021, the "**Plan Supplement**"). In the Plan Supplement, Chesapeake provided that it would assume several executory contracts of which Marathon and Chesapeake are parties (the "**Marathon Agreements**"). Marathon was not opposed to Chesapeake's assumption of the Marathon Agreements, but there was a dispute between the Parties as to the cure amount, if any, required to satisfy the provisions of §§ 365(b)(1)(A) and 365(b)(1)(B) of the Bankruptcy Code (the "**Marathon Cure Amount**").

D. On January 16, 2021, the Court entered the *Order Confirming Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and Its Debtor Affiliates* (the "**Confirmation Order**"). The Confirmation Order provides that the Parties would endeavor to reach agreement as to the Marathon Cure Amount. *See* Conf. Order, ¶ 206. The Confirmation Order also provides that, to the extent any Marathon Agreement is assumed, such assumption shall result in the release and satisfaction of all prepetition Claims arising under the Marathon Agreement. Conf. Order, ¶ 207.

[1] For the avoidance of doubt, the term "**Marathon**" shall include all names by which Chesapeake has referred to Marathon in describing it as a counterparty to certain contracts/agreements identified in the Plan Supplement (as defined herein), including: "Marathon Oil Co," "Marathon Oil Co.," "Marathon Oil Corporation," "Marathon Oil LP," "Marathon Oil (East Texas) LP," and any other affiliate of, or predecessor in interest to, Marathon.

E. The Plan became effective on February 9, 2021.

F. After coordination between the Parties, Marathon contends that the Marathon Cure Amount is $138,654.93. Chesapeake disputes this amount, contending that the Marathon Cure Amount is $0.00.

G. The Parties have now agreed to compromise and settle all claims as to the Marathon Cure Amount and the Proof of Claim.

AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF THE PRECEDING RECITALS AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, RECEIPT AND ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED BY ALL PARTIES, THE PARTIES AGREE AS FOLLOWS:

1. Settlement Payment. Chesapeake shall pay to Marathon the sum of **$45,850.00** (forty-five thousand eight hundred fifty dollars and no cents) (the "**Settlement Payment**"), no later than fourteen days after an order is entered by the Court approving the Agreement. Unless otherwise agreed by the Parties in writing, the Settlement Payment shall be made payable to "Marathon Oil Company" via check and delivered to counsel for Marathon.

2. Proof of Claim. Marathon shall withdraw the Proof of Claim filed in the Bankruptcy Case no later than fourteen days after an order is entered approving the Agreement.

3. Effective Date. The effective date of this Agreement shall be February 9, 2021, the date which Chesapeake's Plan became effective (the "**Effective Date**").

4. Mutual Release. With the exception of certain future, normal course prior period adjustments, as described in Section 4 below, and any amounts accruing after the Effective Date of this Agreement, on the Effective Date, and upon the performance of all the terms, conditions, duties, and obligations contained in this Agreement including delivery of the Settlement Payment, the Parties hereby release and discharge each other and each other's officers, directors, shareholders, partners, agents, employees, attorneys and professionals, affiliates, subsidiaries (direct or indirect), predecessors, successors in interest, heirs, successors and assigns from any and all claims, causes of action, suits, debts, sums of money, controversies, claims to property, damages, judgments, demands whatsoever, in law or equity, known or unknown, asserted or unasserted, with respect to, related to, arising from, or in connection with the Proof of Claim, the Marathon Cure Amount, and the Bankruptcy Case, which were or could have been asserted in the Bankruptcy Case, regardless of the legal or equitable theory upon which the same may be based.

5. PPAs. Each Party recognizes that revenue and joint interest billing calculations can be impacted by, among other things, gas balancing, revised invoices or statements from midstream service providers, revised sales volumes, revised invoices or statements from hydrocarbon purchasers or marketers, and accounting discrepancies. The Parties further recognize that

adjustments may need to be made in future months in the ordinary course of business to account for any under- or over-payments made to the non-operator in a prior period (a "**PPA**"). Notwithstanding anything contained herein; neither Party is waiving any claim to recover by PPA any future, normal course of business adjustment made in a prior month(s). However, the Parties have done their due diligence prior to entering into this Agreement and stipulate that no payment related to the wells operated by Marathon in which Chesapeake has an interest may be recovered by PPA or otherwise nor is Marathon obligated to return any credits or adjustments otherwise attributed to Chesapeake that are the result of any PPA for the period prior to the Effective Date of this Agreement and any claim based thereon is subject to the Mutual Release described in Section 3 above.

6. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to any choice of law rules and, where applicable, the Bankruptcy Code.

7. Jurisdiction; Consent. The Court shall have exclusive jurisdiction to resolve any dispute over the meaning, intent, or enforcement of this Agreement. The Parties expressly consent to the Court's entry of final orders and judgments on all claims arising under or related to this Agreement and the Bankruptcy Case. In the event the Court does not have jurisdiction over any dispute about this Agreement, or declines to exercise jurisdiction, the parties may seek to have such dispute determined by any court of competent jurisdiction within Texas.

8. No Admission. This Agreement is being entered into solely as a settlement of claims, and does not represent an admission by the Parties hereto of any liability with respect to the claims and/or defenses asserted or which could have been asserted relating to subject matter of this Agreement.

9. Amendment. This Agreement may only be amended in writing, signed by all Parties to this Agreement.

10. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

11. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party.

12. Entire Agreement. This Agreement constitutes the entire agreement of the Parties and supersedes all prior agreements and undertaking, both written and oral, among the Parties with respect to the subject matter hereof.

13. Mutual Negotiation. The Parties expressly agree that this Agreement is the product of mutual negotiation and drafting by the parties and/or their respective counsel, and should any dispute arise concerning the terms of this Agreement, such terms shall not be construed or interpreted for or against any Party as the drafter.

14. Authorization. Each entity or individual executing this Agreement on behalf of a Party represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such Party and that this Agreement is binding on such Party in accordance with its terms.

15. Counterparts/Facsimile Execution. This Agreement may be executed in counterparts and each such counterpart shall be an original Agreement, but all of which together shall constitute one and the same Agreement. Facsimile, email, or copies of signatures of the Parties or their designated representatives shall be deemed original signatures. Original signature copies of this Agreement may be exchanged upon request of any of the Parties.

16. No Third-Party Beneficiaries. This Agreement is not intended to confer upon any person not a Party hereto any rights or remedies hereunder, and no person other than the Parties hereto is entitled to rely on any representation, covenant, or agreement contained herein.

WHEREFORE, the Parties have caused this Agreement to be executed on the date listed below and effective as of the Effective Date.

CHESAPEAKE EXPLORATION, L.L.C.:

By: 

Benjamin E. Russ

Its: Executive Vice President - General Counsel and Corporate Secretary

Date: 11/1/21

MARATHON OIL COMPANY:

By: _____

Its: _____

Date: _____

13. Mutual Negotiation. The Parties expressly agree that this Agreement is the product of mutual negotiation and drafting by the parties and/or their respective counsel, and should any dispute arise concerning the terms of this Agreement, such terms shall not be construed or interpreted for or against any Party as the drafter.

14. Authorization. Each entity or individual executing this Agreement on behalf of a Party represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such Party and that this Agreement is binding on such Party in accordance with its terms.

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WHEREFORE, the Parties have caused this Agreement to be executed on the date listed below and effective as of the Effective Date.

CHESAPEAKE EXPLORATION, L.L.C.:

By: _____

Its: _____

Date: _____

MARATHON OIL COMPANY:

By: _____

Its: VP Operations

Date: 11/2/2021