

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

In re:	§	
	§	Chapter 11
	§	
WEATHERLY OIL & GAS, LLC, ¹	§	Case No. 19-31087 (MI)
	§	
Debtor.	§	
	§	

**DEBTOR'S EMERGENCY MOTION (A) AUTHORIZING THE SALE AND
ASSIGNMENT OF THE DEBTOR'S SLIGO SOUTH ASSETS TO AETHON UNITED
BR LP AND PEO HAYNESVILLE HOLDCO, LLC FREE AND CLEAR OF LIENS,
CLAIMS, INTERESTS, AND ENCUMBRANCES, (B) AUTHORIZING THE
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND
UNEXPIRED LEASES IN CONNECTION THEREWITH, AND (C) GRANTING
RELATED RELIEF**

**EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE
CONDUCTED ON THIS MATTER ON AUGUST 21, 2019, AT 1:30 P.M. (CT)
IN COURTROOM 404, 4th FLOOR, UNITED STATES BANKRUPTCY
COURT FOR THE SOUTHERN DISTRICT OF TEXAS, 515 RUSK
STREET, HOUSTON, TEXAS 77002. IF YOU OBJECT TO THE RELIEF
REQUESTED OR YOU BELIEVE THAT EMERGENCY
CONSIDERATION IS NOT WARRANTED, YOU MUST EITHER APPEAR
AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE
HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING
AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.**

RELIEF IS REQUESTED NOT LATER THAN AUGUST 21, 2019.

The above-captioned debtor and debtor in possession (“Weatherly” or the “Debtor”) respectfully states as follows in support of this motion (this “Motion”):²

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor’s federal tax identification number, is: Weatherly Oil & Gas, LLC (4115). The Debtor’s service address is: 10777 County Road 210, Tyler, Texas, 75707.

² A detailed description of the Debtor and its business, and the facts and circumstances supporting this Motion and the Debtor’s chapter 11 case, is set forth in greater detail in the *Declaration of Scott Pinsonnault, Chief Restructuring Officer of Weatherly Oil & Gas, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed on March 1, 2019. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

Relief Requested

1. By this Motion, the Debtor seeks entry of an order substantially in the form of the proposed order (the “Sale Order”) filed with this Motion, (a) approving the sale and assignment (the “Sale”)³ of the Debtor’s Sligo Field, Bossier Parish, Louisiana oil and gas assets (the “Sligo South Assets”)⁴ to Aethon United BR LP and PEO Haynesville Holdco, LLC (collectively, the “Buyers” or “Aethon”), as more particularly set forth in the form of Purchase and Sale Agreement by and between Weatherly and Aethon, attached to the Sale Order as **Exhibit 1** (the “PSA”), free and clear of liens, claims, interests, and encumbrances, as and to the extent set forth in the Sale Order, (b) authorizing the assumption and assignment of certain executory contracts and unexpired leases associated with the Sligo South Assets, and (c) granting certain related relief. In support of this Motion, the Debtor respectfully submits the *Declaration of Dan Johnson in Support of the Debtor’s Emergency Motion (A) Authorizing the Sale and Assignment of the Debtor’s Sligo South Assets to Aethon United BR LP and PEO Haynesville Holdco, LLC Free and Clear of Liens, Claims, Interests, and Encumbrances, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith, and (C) Granting Related Relief*, attached hereto as **Exhibit A** (the “Johnson Declaration”).

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157(b). The Debtor confirms its consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order

³ The Sligo South Assets do not constitute substantially all of the Debtor’s Assets.

⁴ A more particular description of Weatherly’s oil and gas leases and wells in Sligo South is set forth on Exhibit A of the PSA.

by this Court in connection with this Motion to the extent that it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105, 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, and rule 9013-1 of the Local Bankruptcy Rules for Southern District of Texas (the “Local Bankruptcy Rules”).

Background

5. Weatherly is an oil and gas acquisition and exploration company with a focus on the LA-TX region. As of the Petition Date, the Debtor operates over 800 well bores on 200,000 net acres. Of those well bores, over half are shut-in or are not producing.

6. The Debtor also owns non-operating working interests in various wells. As of the Petition Date, across all regions, the Debtor’s oil and gas production averaged 28.4 million cubic feet equivalent per day.

7. On February 28, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is operating its business and managing its properties as a debtor in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

8. On March 15, 2019, the United States Trustee for the Southern District of Texas (the “U.S. Trustee”) appointed an official committee of unsecured creditors in the Debtor’s bankruptcy case (the “Committee”) [ECF No. 102]. No request for the appointment of a trustee or examiner has been made in this chapter 11 case.

The Debtor's Pre-Petition Marketing and Sale Process

9. The Debtor initiated this chapter 11 case to stabilize its business operations and to maximize the value of its estate for the benefit of all its stakeholders through the sale of its assets in a private sale process, or alternatively, an auction (the "Sale Process"). As part of its prepetition restructuring initiatives, the Debtor conducted a thorough marketing process to sell substantially all of its assets, including its Non-Core, Sligo Non-Op, Overton, Sligo Op, Shelby, and Robertson & Leon assets (collectively, the "Assets").

10. Initially, the Debtor, with the assistance of its sales agent, TenOaks Energy Partners, LLC ("TenOaks"), conducted an extensive campaign to market and sell certain oil and gas assets located in East Texas and North Louisiana, including the Sligo South Assets. This process resulted in the sale of the Debtor's Sligo Non-Op and Non-Core Assets, which sales were authorized by this Court on March 26, 2019, and subsequently closed—monetizing nearly \$18 million of the Debtor's Assets. The buyers for the Debtor's Sligo Non-Op and Non-Core Assets carved the Sligo South Assets out of their respective asset packages, and consequently, the Sligo South Assets remained available for sale.

The Debtor's Post-Petition Marketing and Sale Process

11. At the direction of the Debtor, TenOaks continued its efforts to monetize the Debtor's Assets through a postpetition marketing process that resulted in a series of sales of the Debtor's Overton, Sligo Op, and Wilcox Assets. At closing, these sales will collectively net the estate an additional \$5.2 million.

12. During that process, the Debtor received one bid for the Sligo South Assets, which the Debtor did not believe sufficiently reflected the value of those assets. Instead, the Debtor

believed it could achieve a greater offer through a process that would create a competitive dynamic and be viewed by an additional demographic of buyers.

The EnergyNet Marketing and Sale Process

13. To that end, after the TenOaks postpetition process proved unsuccessful in securing acceptable bids for certain of the Debtor's lower value assets (the "Group 3 Assets"), the Debtor engaged EnergyNet.com LLC ("EnergyNet") to run a comprehensive online auction that offered broad national exposure for the Group 3 Assets, but also uniquely targeted operators and buyers seeking small packages of assets in each specific local market. EnergyNet is a continuous marketplace for oil and gas property transactions that offers auctions and sealed bids/negotiated sales of producing working interests (operated and non-operated), overrides, royalties, mineral interests, and non-producing leaseholds for bidding every day of the year. The EnergyNet platform reaches over 20,000 registered bidders with a cumulative credit allowance of over \$8 billion in buying power. EnergyNet supplements its auction process with (a) personal contact to bidders and area operators, (b) highlighted direct website marketing, (c) save search profile activation e-mails, (d) direct mail and fax to area operators and historical buyers, (e) weekly email notification to pre-registered bidders, (f) press releases to industry publications (A&D Watch, PLS, OGFJ, etc.), and (g) targeted marketing to historical buyers/bidders/viewers of similar properties to ensure the broadest possible exposure for the target assets. For these reasons, the Debtor, in its business judgment, determined that the EnergyNet platform offered the best opportunity to sell the remaining Group 3 Assets at the highest possible price.

14. On May 20, 2019, the Debtor entered into that certain Seller's Agreement for the Sale of Oil and Gas Properties (the "EnergyNet Agreement") with EnergyNet. Through the EnergyNet Agreement, the Debtor granted EnergyNet the exclusive right to market and sell the

Debtor's Group 3 Assets using EnergyNet's online auction platform. Upon Court approval of each sale, EnergyNet will earn a commission on a sliding scale based upon the gross final sales price of each asset sale. For example, for each asset sale less than \$500,000.00, EnergyNet will earn 5.50% of the gross sales price.

15. The Debtor posted the Sligo South Assets for sale on the EnergyNet platform on June 19, 2019 and set July 10, 2019 as the bid deadline. The auction produced two bids, both of which were materially higher than the prior bid on the Sligo South Assets. Given the competing bids, EnergyNet, at the direction of the Debtor, negotiated with both of the bidders to obtain their best and final bids. Following these negotiations, Aethon materially raised its bid, and thus emerged as the buyer with the highest and best offer for the Sligo South Assets.

16. For the Sale, EnergyNet will receive \$12,375 as a commission (the "EnergyNet Fee").

17. The form of PSA is attached to the Sale Order as **Exhibit 1**.

The Sale and Assignment⁵

18. By this Motion, the Debtor seeks to sell and assign the Sligo South Assets to Aethon. The Sligo South Assets are more fully described in Section 2 of the PSA, and include all of Weatherly's rights, title, and interest in and to the assets described in the table below, less and except the Excluded Assets. A summary of the material terms of the proposed Sale are as follows:

PSA PROVISION	SUMMARY DESCRIPTION
Seller	Weatherly Oil & Gas, LLC
Buyers	Aethon United BR LP and PEO Haynesville Holdco, LLC

⁵ Capitalized terms not defined herein shall have the meanings ascribed to them in the PSA. The summary of the proposed sale and assignment is for illustrative purposes only, and is qualified in its entirety by the PSA.

Purchase Price <i>See PSA, § 4.</i>	\$225,000, subject to any adjustments that may be made under § 5 of the PSA.
Acquired Assets <i>See PSA, § 2.</i>	<p>As more fully described in, and subject to the terms and conditions of, the PSA, the Buyers agree to purchase and the Debtor agrees to sell (1) with respect to Aethon, a 90% undivided interest in and to, and (2) with respect to PEO, a 10% undivided interest in and to, all of Debtor's rights, title and interests in and to the following, except to the extent constituting Excluded Assets (all of Debtor's rights, title and interest in and to such assets, less and except the Excluded Assets, collectively, the "Assets"): </p> <p>(a) all oil and gas leases and oil, gas and mineral leases, subleases and other leaseholds, royalties, overriding royalties, net profits interests, production payments, carried interests, options and other rights to Hydrocarbons in place, in each case, whether producing or non-producing, as more particularly described in Exhibit A-1 of the PSA (collectively, the "Leases"), together with (A) any and all other rights, titles and interests of Debtor in and to the lands covered or burdened thereby, and (B) all other interests of Debtor of any kind or character in and to the Leases;</p> <p>(b) all presently existing unitization, pooling and/or communitization agreements, orders, declarations or designations and statutorily, judicially or administratively created drilling, spacing and/or production units, whether recorded or unrecorded, insofar as the same are attributable or allocated to the Leases, and all of Debtor's interest in and to the properties covered or such units created thereby (collectively, the "Units"; and, together with the Leases, the "Oil and Gas Interests");</p> <p>(c) all wells located upon the Leases or Units or otherwise used in connection with the ownership or operation of the Assets, whether plugged and abandoned, including the wells set forth in Exhibit A-2 of the PSA (the "Wells" and together with the Oil and Gas Interests, the "Properties");</p> <p>(d) all easements, surface leases, permits, licenses, servitudes, rights of way, surface use agreements and all other rights and appurtenances located on or primarily used in connection with the Properties (the "Surface Rights");</p> <p>(e) all tangible personal, movable and mixed property, equipment, machinery, fixtures and improvements, including all injection wells, salt water disposal facilities, well heads, well equipment, casing, manifolds, tubing, pumps, motors, gauges, valves, heaters, treaters, water lines, vessels, tanks, boilers, separators, treating equipment, compressors, pipelines, flow lines, gathering systems, processing and separation facilities, pads, structures, other equipment, automation systems including meters and related telemetry on wells, power lines, telephone and communication lines and other appurtenances, network equipment and associated peripherals, radio and telephone equipment (including cellular telephones), SCADA, telemetry and other measurement technology, and well communication devices, in each case, to the extent located on or primarily used in connection with the ownership or operation of the other Assets;</p>

	<p>(f) all contracts and agreements to the extent which all or any portion of the Properties or Surface Rights is subject, including the contracts and agreements set forth in Exhibit A-3 of the PSA (the “Contracts”);</p> <p>(g) all Hydrocarbons in, on, under or produced from or allocated to any of the Properties from and after the Effective Time, and all Hydrocarbons for which Debtor receives an adjustment to the Purchase Price, and in each case, the proceeds thereof;</p> <p>(h) all rights, benefits and obligations arising from or in connection with any Imbalances attributable to of the Properties, existing as of or arising after the Effective Time;</p> <p>(i) the Records; and</p> <p>(j) except to the extent related to the Excluded Assets or Specified Obligations, any rights, claims, causes, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Debtor relating to the Assets described in items (a)-(i) above.</p>
<p>Excluded Assets See PSA, § 3.</p>	<p>Debtor shall reserve and retain the following (collectively, the “Excluded Assets”): (a) all of Debtor’s corporate minute books and corporate financial records that relate to Debtor’s business generally; (b) all trade credits, all accounts, receivables, if any, and all other proceeds, income or revenues attributable to the Assets with respect to any period of time prior to the Effective Time; (c) all claims, causes of action, manufacturers’ and contractors’ warranties and other rights of Debtor arising under or with respect to (i) any Assets that are attributable to periods of time prior to the Effective Time including claims for adjustments or refunds, and (ii) any other Excluded Assets; (d) all Hydrocarbons produced from the Assets with respect to all periods prior to the Effective Time, other than those Hydrocarbons produced from or allocated to the Assets and in storage or existing in stock tanks, pipelines or plants (including inventory) as of the Effective Time for which the Purchase Price is adjusted upward at Closing; (e) all amounts held by Debtor in suspense that are attributable to sales of Hydrocarbons produced from the Assets, as applicable (including any amounts subject to escheat obligations pursuant to applicable Law); (f) all personal computers, network equipment and associated peripherals; (g) all drilling rigs, and all trucks, cars and vehicles; (h) all master services agreements or similar contracts; (i) all easements, rights-of-way, surface rights, equipment, pipe and inventory (in each case, whether located on or off the lands covered by the Leases or lands pooled or unitized therewith) not currently being used or held for use in connection with the ownership or operation of the Assets (other than the Surface Rights and any surface rights granted under any of the Leases); (j) all of Debtor’s proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property; (k) legal records and legal files of Debtor, including all work product of and attorney-client communications with Debtor’s legal counsel or any other documents or instruments that may be protected by an attorney-client privilege or the attorney work-product doctrine,</p>

	<p>but excluding any title opinions covering the Oil and Gas Interests; (l) all documents and instruments and other data or information that cannot be disclosed to Buyers as a result of confidentiality arrangements under agreements with third parties; (m) all audit rights arising under any of the 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; (n) all well data and geophysical and other seismic and related technical data and information relating to the Assets; (o) all oil and gas fee interests or mineral fee interests of Debtor and its Affiliates other than those directly relating to the Oil & Gas Interests or the lands covered thereby; (p) all claims of Debtor or any of its Affiliates for refunds of, rights to receive funds from any Governmental Authorities, or loss carry forwards or credits with respect to (i) any and all taxes imposed by any applicable Law on, or allocable to, Debtor or any of its Affiliates, or any combined, unitary or consolidated group of which any of the foregoing is or was a member, (ii) any taxes imposed on or with respect to the ownership or operation of the Excluded Assets, and (iii) any and all other taxes imposed on or with respect to the ownership or operation of the Assets for any tax period (or portion thereof) ending before the Effective Time.</p>
<p>The Debtor's Closing Conditions See PSA, § 14.</p>	<p>The obligation of the Debtor to consummate the transactions provided for in the PSA is subject, at the option of the Debtor, to the fulfillment by Buyers or waiver by the Debtor, on or prior to the Closing of each of the following conditions precedent:</p> <ul style="list-style-type: none"> (a) the representations and warranties of Buyers set forth in <u>Section 13</u> of the PSA shall be true and correct in all material respects (except with respect to the representations and warranties set forth in <u>Section 13(b)</u> of the PSA or that are qualified by materiality, which in each case shall be true and correct in all respects) as of Closing as though made on and as of Closing; (b) Buyers shall have materially performed or complied with all obligations, agreements, and covenants contained in this Agreement as to which performance or compliance by Buyers is required prior to or at Closing; (c) Buyers shall have executed and delivered (or be ready, willing and able to deliver at Closing) to Debtor the documents and other items, including the Preliminary Purchase Price, required to be delivered by Buyers under <u>Section 16</u> of the PSA; and (d) the Bankruptcy Court shall have entered the Sale Order.
<p>Buyers' Closing Conditions See PSA, § 15.</p>	<p>The obligation of Buyers to consummate the transactions provided for in the PSA is subject, at the option of Buyers, to the fulfillment by the Debtor or waiver by Buyers, on or prior to the Closing of each of the following conditions:</p> <ul style="list-style-type: none"> (a) the representations and warranties of Debtor set forth in <u>Section 12</u> of the PSA shall be true and correct in all material respects (except with

	<p>respect to the representations and warranties set forth in <u>Section 12(h)</u> of the PSA or that are qualified by materiality, which in each case shall be true and correct in all respects) as of Closing as though made on and as of Closing, except for those breaches, if any, of such representations and warranties that in the aggregate would not have a material adverse effect;</p> <p>(b) Debtor shall have materially performed or complied with all obligations, agreements, and covenants contained in this Agreement as to which performance or compliance by Debtor is required prior to or at Closing;</p> <p>(c) Debtor shall have executed and delivered (or be ready, willing and able to deliver at Closing) to Buyers the documents and other items required to be delivered by Debtor under <u>Section 16</u> of the PSA;</p> <p>(d) As and to the extent set forth in the Sale Order, all liens, mortgages, security interests and deeds of trust burdening the Assets shall have been released at or before Closing; and</p> <p>(e) the Bankruptcy Court shall have entered the Sale Order, and such Sale Order shall be in effect on the Closing Date and (i) shall not have been stayed, reversed, stayed pending appeal or vacated and (ii) shall not have been materially amended, supplemented or otherwise modified to Buyers' detriment without Buyers' consent (such consent not to be unreasonably withheld, conditioned or delayed).</p>
<p>Assumed Obligations and Specified Obligations See PSA, § 8.</p>	<p>From and after Closing, except to the extent such obligations or liabilities constitute Specified Obligations or are discharged by the Bankruptcy Court pursuant to the Sale Order, Buyers shall assume and hereby agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the obligations and liabilities with respect to the Assets whether arising prior to, on or after the Effective Time, including, but not limited to, any and all Plugging and Abandonment Obligations and Environmental Obligations (all of said obligations and liabilities, herein being referred to as the "<i>Assumed Obligations</i>"); <i>provided, however</i>, that Buyers do not assume any obligations or liabilities to the extent they are Specified Obligations.</p> <p>"<u>Specified Obligations</u>" shall be, to the extent not discharged in the Sale Order, all obligations and liabilities solely to the extent arising out of or related to (i) death or physical injury to any employees of Seller related to or arising out of Seller's ownership or operation of the Assets occurring prior to the Closing; (ii) any and all taxes imposed by any applicable Law on, or allocable to, Seller or any of its Affiliates, or any combined, unitary or consolidated group of which any of the foregoing is or was a member; (iii) any and all other taxes imposed on or with respect to the ownership or operation of the Assets for any tax period (or portion thereof) ending before the Effective Time; (iv) the ownership or operation of any Excluded Assets; (v) the gross negligence or willful misconduct of Seller or any of its Affiliates in connection with the</p>

	operation of the Assets prior to Closing; (vi) the failure to report or to pay (or the incorrect payment) to any royalty owner, overriding royalty owner, working interest owner or other interest holder under the Oil & Gas Properties any amounts due or owing prior to the Closing Date; (vii) fines, penalties or other sanctions arising from violations of applicable Laws that occurred or are attributable to events that occurred prior to Closing; (viii) any litigation, suits, actions or other similar proceedings relating to the Assets in existence as of the Closing; and (ix) any off-site transport or disposal, or arrangement for transport or disposal, of any hazardous substances prior to Closing.
Effective Time <i>See PSA, § 4.</i>	The effective time of the conveyance of the Sligo South Assets contemplated by the PSA shall be 12:01 a.m. Central Time on July 1, 2019.
Closing Date <i>See PSA, § 16.</i>	The closing of the transactions contemplated by the PSA shall occur on the date that is ten (10) Business Days following the entry of the Sale Order or such other date following the issuance of the Sale Order as Buyers and Debtor may agree upon in writing.

Basis for Relief

A. The Proposed Sale and Assignment is Fair and Consistent with the Debtor's Reasonable Business Judgment.

19. Section 363(b) of the Bankruptcy Code provides, in relevant part, that a debtor, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Bankruptcy Code § 363(b) does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate; however, bankruptcy courts in this District and elsewhere have required that the authorization of such use, sale, or lease of property of the estate out of the ordinary course of business be based upon sound business justification of the trustee or debtor in possession. *See, e.g., Institutional Creditors of Continental Air Lines, Inc. v. Continental Air Lines, Inc., et al. (In re Continental Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”); *In re Crutcher Resources Corp.*, 72 B.R. 628, 631 (Bankr. N.D.

Tex. 1987) (“A bankruptcy judge has considerable discretion in approving § 363(b) sale of property of the estate other than in the ordinary course of business but the movant must articulate some business justification for the sale.”); *see also In re Cowin*, No. 13-30984, 2014 WL 1168714, at *38 (Bankr. S.D. Tex. Mar. 21, 2014); *In re St. Marie Clinic PA*, No. 10-70802, 2013 WL 5221055, at *9 (Bankr. S.D. Tex. Sept. 17, 2013); *In re Particle Drilling Techs., Inc.*, No. 09-33744, 2009 WL 2382030, at *2 (Bankr. S.D. Tex. July 29, 2009); *In re San Jacinto Glass Indus., Inc.*, 93 B.R. 934, 944 (Bankr. S.D. Tex. 1988).

20. Once the debtor articulates a valid business justification, “[t]he business judgment rule is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.” *In re S.N.A. Nut Co.*, 86 B.R. 98 (Bankr. N.D. Ill. 1995); *see also In re Integrated Res., Inc.*, 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992); *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“ . . . a presumption of reasonableness attaches to a Debtor’s management decisions”).

21. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564-565 (8th Cir. 1997) (in bankruptcy sales, “a primary objective of the Code [is] to enhance the value of the estate at hand”); *In re Integrated Res., Inc.*, 147 B.R. 650, 659 (S.D. N.Y. 1992) (“[I]t is a well-established principle of bankruptcy law that the objective of the bankruptcy rules and the trustee’s duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate.”) (internal citations omitted).

22. The Debtor has a sound business justification for selling and assigning the Sligo South Assets to Aethon under the terms of the PSA. Namely, the Debtor is pursuing an orderly liquidation of its Assets, with the goal of maximizing recoveries for its creditors. If Debtor is not allowed to sell and assign the Sligo South Assets, the Debtor's estate will be deprived of the opportunity to monetize the Sligo South Assets at the highest possible price.

23. Accordingly, the Debtor has determined that the proposed Sale is in the best interest of its estate and its creditors and is consistent with the Debtor's reasonable business judgment.

B. The Proposed Private Sale is Appropriate under Bankruptcy Rule 6004.

24. Bankruptcy Rule 6004(f) permits a debtor to conduct a private sale pursuant to section 363. Specifically, Bankruptcy Rule 6004(f) provides that “[a]ll sales not in the ordinary course of business may be by private sale or by public auction.” Fed. R. Bankr. P. 6004(f)(1). *See In re Cypresswood Land Partners, I*, 409 B.R. 396, 436 (Bankr. S.D. Tex. 2009) (noting that “there is no prohibition against a private sale or against a sale to insiders; and there is no requirement that the sale be by public auction”) (quoting *In re Woodscape L.P.*, 134 B.R. 165, 174 (Bankr. D. Md. 1991)); *In re Dura Auto. Sys., Inc.*, No. 06-11202 (KJC), 2007 WL 7728109, at *88 (Bankr. D. Del. Aug. 15, 2007) (“[s]ales of property rights outside the ordinary course of business may be by private sale or public auction.”); *In re Pritam Realty, Inc.*, 233 B.R. 619 (D.P.R. 1999) (upholding the bankruptcy court's approval of a private sale conducted by a chapter 11 debtor); *In re Wieboldt Stores, Inc.*, 92 B.R. 309, 312 (N.D. Ill. 1988) (“[s]ection 363(b) is not limited to sales involving competitive bidding. Bankruptcy Rule 6004, which sets forth procedures for section 363(b) transfers, expressly provides for private sales.”). Courts have held that a debtor has broad discretion to determine the manner in which its assets are sold. *See In re Alisa P'ship*, 15 B.R.

802, 802 (Bankr. D. Del 1981); *In re Bakalis*, 220 B.R. 525, 531–532 (Bankr. E.D.N.Y. 1998) (noting that a trustee has ample authority to conduct a sale of estate property through private sale).

25. Accordingly, in light of Bankruptcy Rule 6004(f) and case law regarding § 363 sales, a debtor may conduct a private sale if a good business reason exists. *See In re Condere Corp.*, 228 B.R. 615, 629 (Bankr. S.D. Miss. 1998) (authorizing private sale of debtors’ tire company where “[d]ebtor has shown a sufficient business justification for the sale of the assets to the [p]urchaser”). Indeed, courts in this and other districts have approved private sales of estate property pursuant to § 363(b)(1) when there has been a valid business reason for not conducting an auction. *See, e.g., In re Weatherly Oil & Gas*, No. 19-31087 (MI) (Bankr. S.D. Tex. March 26, 2019) (approving 2 separate private sales of oil and gas assets for total consideration of approximately \$18,000,000); *In re CJ Holding CO. et al.*, No. 16-33590 (DRJ) (Bankr. S.D. Tex. Dec. 5, 2016) (order authorizing the private sale of inventory and machinery for approximately \$17.5 million); *In re Ignite Restaurant Group, Inc., et al.*, No. 17-33550 (DRJ) (Bankr. S.D. Tex. Aug. 17, 2017) (approving the private sale of a license for approximately \$650,000); *In re Forbes Energy Services LTD., et al.*, No. 17-20023 (DRJ) (Bankr. S.D. Tex. Feb. 10, 2017) (approving the private sale of equipment for approximately \$660,000); *In re Buffets Holdings, Inc.*, No. 08-10141 (MFW) (Bankr. D. Del. Feb. 3, 2009) (approving the private sale of real property for approximately \$2.4 million); *In re W.R. Grace & Co.*, No. 01-1139 (JKF) (Bankr. D. Del. Dec. 18, 2008) (approving the private sale of real property for approximately \$3.8 million); *In re Wellman, Inc.*, No. 08-10595 (SMB) (Bankr. S.D.N.Y. Oct. 6, 2008) (approving private sale of real estate, equipment, intellectual property, and licenses for \$17.9 million); *In re Solutia, Inc.*, No. 03-17949

(SCC) (Bankr S.D.N.Y. Dec. 28, 2006) (approving private sale of real property for approximately \$7.1 million).⁶

26. The Debtor submits that the proposed private Sale to the Buyers is appropriate in light of the facts and circumstances of this chapter 11 case. As previously described, the Sligo South Assets were heavily marketed through an extensive pre-petition and post-petition process overseen by TenOaks. Following that effort, the Debtor submitted the Sligo South Assets through a thirty (30) day online auction process administered by EnergyNet. The Debtor and the Prepetition Secured Parties are satisfied that all reasonable efforts have been taken to maximize the value of the Sligo South Assets and that the Sale represents the best price that can be obtained under the circumstances. Indeed, the low probability that a competing bidder will actually emerge with an offer higher or better than the offer detailed in the PSA do not justify the costs and risks associated with delay.

27. As a result, the transaction with the Buyers allow the Debtor to maximize the value received for the assets being sold and provides a significant benefit to the Debtor's estate. The Debtor submits that it has diligently considered and analyzed all reasonably available options in connection with the Sale of the Sligo South Assets, considered the reasonable view of its creditors, and determined that the terms and conditions set forth in the PSA, including the Purchase Price and the certainty of closing provided thereby, are all fair, reasonable, and constitute the highest or otherwise best value obtainable in exchange for the Sligo South Assets under the circumstances presented.

⁶ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request of the Debtor's counsel.

28. Accordingly, the Debtor requests that the Court approve the proposed private Sale of the Sligo South Assets in accordance with the PSA.

C. The Buyers are Entitled to the Protections of 11 U.S.C. § 363(m).

29. Section 363(m) of the Bankruptcy Code provides, in pertinent part:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

30. Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal.

31. Here, the Buyers are good faith purchasers as the term is used in 11 U.S.C. § 363(m) and, as such, are entitled to the protections of 11 U.S.C. § 363(m). The Sale of the Sligo South Assets has been proposed in good faith and the PSA will be consummated in good faith, such that the transaction represents an agreement providing for the exchange of good and equivalent consideration. Further, the Sale is the product of extensive arm's length negotiations between the Debtor and the Buyers, which resulted, in the aggregate, in market terms for the PSA. Thus, the Sale to the Buyers is in good faith.

D. The Court May Approve the Sale Free and Clear of Liens, Claims, Interests, and Encumbrances Pursuant to 11 U.S.C. § 363(f).

32. The Debtor submits that the Court may authorize the Sale of the Sligo South Assets free and clear of all liens, claims, and encumbrances because the Prepetition Secured Parties consent to the Sale of the Sligo South Assets to Buyers, and the Debtor does not expect any other prepetition secured party to object.

33. Section 363(f) of the Bankruptcy Code allows the Debtor to sell the Sligo South Assets free and clear of any interest in the Sligo South Assets if:

- (1) Applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) Such entity consents;
- (3) Such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) Such interest is in a bona fide dispute; or
- (5) Such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f)(1)-(5).

34. The Debtor requests that the Sale to Buyers be free and clear of all liens, claims, interests, and encumbrances. In evaluating such a sale, a court must balance the need for flexibility with the concern of affected creditors. *In re Terrace Gardens Park P'ship*, 96 B.R. 707, 715 (Bankr. W.D. Tex. 1989). The Court must also determine that creditors' lien rights are adequately protected and that the offered price is the highest price and/or best terms obtainable under the circumstances in the particular case. *Id.*; *In re Beker Indus. Corp.*, 63 B.R. 474, 477–78 (Bankr. S.D.N.Y. 1986).

35. Here, such relief is warranted. The Buyers will not close the Sale if the Sligo South Assets are not sold free and clear under the Sale Order. Further, the Debtor satisfies section 363(f)(2) of the Bankruptcy Code because the Prepetition Secured Parties consent to the Sale of the Sligo South Assets to the Buyers, and the Debtor does not expect any other prepetition secured party to object to the Motion. The Debtor submits that any lien, claim, interest, or encumbrance, that exists on the Sligo South Assets will be adequately protected by attachment to the net proceeds of the Sale in the same priority that existed on the Petition Date, subject to any claims and defenses

that the Debtor may possess with respect thereto, and/or the Debtor will obtain the consent of the party holding the lien, claim, or encumbrance. The Debtor further requests that any holder of a lien, claim, interest, or encumbrance that fails to timely object to the Sale be deemed to have consented to the Sale free and clear of their purported interest or lien under § 363(f)(2).⁷

36. Accordingly, the Debtor requests that the Sligo South Assets be sold to the Buyers free and clear of all liens, claims, and encumbrances, with such liens, claims, and encumbrances attaching to the proceeds of the Sale of the Sligo South Assets.

E. The Assumption and Assignment of the Assumed Contracts Should be Approved.

(1) The Assumption and Assignment of the Assumed Contracts Reflects the Debtor's Reasonable Business Judgment.

37. Section 365(a) and (b) of the Bankruptcy Code authorize a debtor-in-possession to assume executory contracts or unexpired leases subject to the court's approval, and requires a debtor-in-possession to satisfy certain requirements at the time of assumption. *See* 11 U.S.C. § 365(a) ("subject to the court's approval, [a debtor] may assume or reject any executory contract or unexpired lease of the debtor"). To assume an executory contract or unexpired lease, the Debtor must meet certain requirements under § 365(b), including, curing any defaults under such executory contract and unexpired leases and providing adequate assurance of future performance. *See* 11 U.S.C. § 365(b).

38. The standard governing bankruptcy court approval of a debtor's decision to assume or reject an executory contract or unexpired lease is whether the debtor's reasonable business judgment supports assumption or rejection. *See Mirant Corp. v. Potomac Electric Power Co. (In*

⁷ As outlined in the Notice section below, the Debtor will provide notice of this Motion to all Persons known or reasonably believed to have asserted a lien or encumbrance on any of the Sligo South Assets.

re Mirant Corp.), 378 F.3d 511, 524-25 & n. 5 (5th Cir. 2004); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985). As long as a debtor's decision is reasonable and in the best interests of the bankruptcy estate, courts generally defer to the business judgment of the debtor's management. *See, e.g., Richmond Leasing Co.*, 762 F.2d at 1309 (applying a business judgment standard to debtor's determination to assume unexpired lease); *In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008) (business judgment test "rather obviously presupposes that the estate will assume a contract only where doing so will be to its economic advantage.").

39. Once an executory contract is assumed, the trustee or debtor in possession may elect to assign such contract. Bankruptcy Code § 365(f) specifically provides that contract provisions seeking to prohibit or limit assignment are unenforceable. *See* 11 U.S.C. § 365(f)(1); *see also In re Amidee Capital Grp., Inc.*, No. 10-20041, 2010 WL 5141276, at *5 (Bankr. S.D. Tex. Oct. 7, 2010) (treating such prohibitions or limitations as null and void under section 365(f)); *In re Office Prods. of Am., Inc.*, 140 B.R. 407 (Bankr. W.D. Tex. 1992) (provisions that work as a restriction on assignment of leases should be struck down); *In re Rickel Home Ctrs., Inc.*, 209 F.3d 291, 299 (3d Cir. 2000) ("[t]he code generally favors free assignability as a means to maximize the value of the debtor's estate"). Section 365(f) of the Bankruptcy Code provides that the "trustee may assign an executory contract . . . only if the trustee assumes such contract . . . and adequate assurance of future performance is provided." 11 U.S.C. § 365(f)(2). The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given a "practical, pragmatic construction." *See In re PRK Enters., Inc.*, 235 B.R. 597, 603 (Bankr. E.D. Tex. 1999) (internal quotations omitted); *see also Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988); *In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean

absolute assurance that the debtor will thrive). Adequate assurance may be provided by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned.

40. Here, the Assumed Contracts are necessary to operate the Sligo South Assets and, as such, the Assumed Contracts are essential to inducing the highest or otherwise best offer for the Debtor's assets. The Debtor's assumption and assignment of the Assumed Contracts meets the business judgment standard and satisfies the requirements of section 365 of the Bankruptcy Code. Additionally, the Buyers has provided adequate assurance of future performance of its obligations under the Assumed Contracts.

41. Accordingly, the Debtor submits that the assumption and assignment of the Assumed Contracts should be approved by the Court.

F. The Assumption and Assignment Meets the Requirements of Section 365(b) of the Bankruptcy Code.

(1) Defaults Under the Assumed Contracts will be Cured.

42. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract is in the best interests of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code, specifically that a debtor (a) cure, or provide adequate assurance of promptly curing, prepetition defaults in the executory contract, (b) compensate parties for pecuniary losses arising therefrom, and (c) provide adequate assurance of future performance thereunder. This section "attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to get the performance it bargained for and the right of the debtor's creditors to get the benefit of the debtor's bargain." *In re Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D. N.Y. 1980). The Debtor submits that the statutory requirements of section 365(b)(1)(A) of the Bankruptcy

Code will be satisfied because all contract counterparties to the Assumed Contracts will receive notice of this Motion and an opportunity to respond to the proposed cure costs and any payment to satisfy all cure costs will be made as soon as reasonably practicable after entry of the Order.

43. Contemporaneously with the filing of this Motion, the Debtor will send a Notice of Cure Amounts (the “Cure Notice”), in a form substantially similar to the Cure Notice attached hereto as **Exhibit B**, to all parties in interest, including all contract counterparties to those agreements listed therein. The Cure Notice will provide the dollar amount that the Debtor believes is necessary to cure any defaults under the Assumed Contracts to which such non-Debtor is a contract counterparty as of the Effective Time of the PSA (*i.e.*, July 1, 2019) (the “Cure Amount”). As set forth in the Cure Notice, all objections to the assumption and assignment of the Assumed Contracts or to the amount of the cure listed in the Cure Notice must file an objection (each, a “Cure Objection”) on or before **11:59 p.m. prevailing Central Time on August 20, 2019** (each, a “Cure Objection Deadline”), with the Court and served so as to be actually received by counsel for the Debtor and the Buyers at or before that time. In addition, the Buyers reserve the right to amend the Cure Notice at any time for any reason in its sole discretion, including to decide not to assume any Assumed Contract, and in such case, the Buyers shall not be responsible or liable for any cure amount to that particular contract counterparty.

44. Each Cure Objection must state with specificity the amounts that the contract counterparty believes are necessary to cure the defaults with appropriate documentation in support thereof. If no Cure Objection is timely received, the Cure Amounts set forth in the Cure Notice shall be controlling notwithstanding anything to the contrary in any respective Assumed Contract or other document and the non-debtor contract counterparty to the respective Assumed Contract shall be forever barred from asserting any other claim arising prior to the assignment against the

Debtor or the proposed Buyers as to such designated contract and such non-debtor contract counterparty shall be deemed to have consented to the assumption and assignment of such respective Assumed Contract to the Buyers.

45. All cure costs applicable to the Assumed Contracts, as listed on the Cure Notice attached hereto as **Exhibit B**, will be paid in connection with the PSA, and the *Final Order Authorizing Limited Use of Cash Collateral, Obtaining Post-Petition Financing Secured by Senior Liens, and Granting Adequate Protection to Prepetition Secured Parties* [ECF No. 180] (the “**Final Financing Order**”), or any other order with respect to debtor in possession financing or the Debtor’s use of cash collateral.

(2) Non-Debtor Parties Will Be Adequately Assured of Future Performance.

46. Similarly, the Debtor submits that the third requirement of section 365(b) of the Bankruptcy Code—adequate assurance of future performance—is also satisfied given the facts and circumstances present here. “The phrase ‘adequate assurance of future performance’ adopted from section 2-609(1) of the Uniform Commercial Code, is to be given a practical, pragmatic construction based on the facts and circumstances of each case.” *In re U.L. Radio Corp.*, 19 B.R. 537, 542 (Bankr. S.D.N.Y. 1982). Although no single solution will satisfy every case, the “required assurance will fall considerably short of an absolute guarantee of performance.” *In re Prime Motor Inns, Inc.*, 166 B.R. 993, 997 (Bankr. S.D. Fla. 1994). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance present where a prospective assignee has financial resources and has expressed a willingness to devote sufficient funding to a business to give it a strong likelihood of succeeding).

47. The Debtor believes that it can and will demonstrate that the requirements for assumption and assignment of the Assumed Contracts to the Buyers will be satisfied.

G. Payment of the EnergyNet Fee is Appropriate Under Bankruptcy Code Section 363(b) and the EnergyNet Fee Should be Approved.

48. As described herein, the Debtor required the services of an online auction platform to secure buyers for its Group 3 Assets. The Debtor believes that the use of an online auction service such as EnergyNet to sell miscellaneous lower-value assets on a piecemeal basis satisfies Bankruptcy Code section 363(b). Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that “the trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts apply the business judgment standard when evaluating transactions under section 363(b) of the Bankruptcy Code. *See ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO, LLC)*, 650 F.3d 593, 601 (5th Cir. 2011) (citing *In re Moore*, 608 F.3d 253, 263 (5th Cir. 2010)); *In re Global Home Prods., LLC*, 369 B.R. 778, 783 (Bankr. D. Del. 2007).

49. The business judgment rule shields certain debtor decisions—such as its choice of auction service—from judicial second guessing. *See Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1311 (5th Cir. 1985) (“More exacting scrutiny would slow the administration of the debtor’s estate and increase its cost, interfere with the Bankruptcy Code’s provision for private control of administration of the estate, and threaten the court’s ability to control a case impartially.”). Under the business judgment standard, so long as a debtor’s decision is reasonable and in the best interests of the bankruptcy estate, courts generally defer to the business judgment of the debtor’s management. *See Stanziale v. Nachtomi (In re Tower Air, Inc.)*, 416 F.3d 229, 238 (3d Cir. 2005) (“Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task...it may be accomplished by showing either irrationality or inattention.”); *In*

re Pisces Energy, LLC, 2009 WL 7227880, at *6 (Bankr. S.D. Tex. 2009) (“In the absence of a showing of bad faith . . . the debtor’s business judgment will not be altered.”); *In re Global Home Prods., LLC*, 369 B.R. at 783 (applying the business judgment standard to transactions under section 363 of the Bankruptcy Code).

50. Section 105(a) of the Bankruptcy Code further provides that the court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Section 105(a) allows the bankruptcy court to “fashion such orders as are necessary to further the substantive provisions of the [Bankruptcy] Code.” *Southmark Corp. v. Grosz (In re Southmark Corp.)*, 49 F.3d 1111, 1116 (5th Cir. 1995) (explaining that the Court’s broad powers must be exercised only within the confines of the Bankruptcy Code).

51. The Debtor’s overall plan for maximizing the value of its estate involves the sale of substantially all its assets. In order to effectuate the final phase of that overall scheme, the Debtor determined that it would be prudent to obtain EnergyNet’s services. Accordingly, the Debtor’s decision to enter into the EnergyNet Agreement and the proposed payment of the EnergyNet Fee is a sound exercise of its business judgment and is in the best interest of the Debtor, its estate, its creditors, and all parties in interest and, therefore, is appropriate under Bankruptcy Code section 363(b).

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

52. Bankruptcy Rule 6004(h) provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Additionally, Bankruptcy Rule 6006(d) provides that “[a]n order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of 14 days after the entry of the order, unless the court orders

otherwise.” Here, the Buyers insist upon an expeditious closing of the Sale. The Debtor therefore believes that the waiver requested herein is necessary and appropriate to maximize value for the estate. Accordingly, the Debtor requests that the Court waive the 14-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

Reservation of Rights

53. Nothing contained herein is intended or should be construed as: (a) an admission as to the validity or priority of any claim or lien against the Debtor; (b) a waiver of the Debtor’s right to subsequently dispute such claim or lien on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to § 365 of the Bankruptcy Code; or (f) a waiver of the Debtor’s or any other party in interest’s rights under the Bankruptcy Code or any other applicable law.

Emergency Consideration is Requested

54. The Debtor seeks approval of the Sale on an emergency basis. The Debtor’s consensual use of cash collateral is conditioned upon confirmation of the Second Amended Plan of Liquidation of Weatherly Oil & Gas, LLC Pursuant to Chapter 11 of the Bankruptcy Code [ECF No. 492] (the “Plan”) on or before August 15, 2019. In turn, significant progress towards effectuating the sales of the Debtor’s remaining assets in Louisiana is a critical component of certain key constituents’ support for the Plan. Due to budgetary constraints, the Debtor may not be able to effectuate the Plan if it does not obtain expedited consideration of the Sale. Given those interdependent constraints, and the extent of notice regarding the Debtor’s overall scheme to sell substantially all of its assets given throughout the chapter 11 case, the Debtor believes that

expedited consideration of this Motion is necessary, appropriate, and provides the Debtor's estate the best chance of maximizing recoveries. Upon information and belief, all of the major constituents in the Debtor's chapter 11 case support expedited consideration of this Motion.

Notice

55. Notice of the hearing on the relief requested in this Motion has been provided by the Debtor in accordance and compliance with Bankruptcy Rules 4001 and 9014, as well as the Local Bankruptcy Rules, and is sufficient under the circumstances. Without limiting the foregoing, due notice was afforded, whether by facsimile, electronic mail, overnight courier or hand delivery, to parties-in-interest, including: (a) the Office of the United States Trustee for the Southern District of Texas; (b) entities listed as holding the 30 largest unsecured claims against the Debtor; (c) the agent under the Debtor's prepetition credit facility; (d) the Office of the United States Attorney for the Southern District of Texas; (e) the state attorneys general for states in which the Debtor conducts business; (f) the Internal Revenue Service; (g) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtor conducts business; (h) all Persons known or reasonably believed to have asserted a lien or encumbrance on any of the Sligo South Assets; (i) all counterparties to executory contracts that Debtor seeks to assume and assign; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

Conclusion

WHEREFORE, for the reasons set forth herein, the Debtor respectfully requests that this Court enter an order, substantially in the form of the Sale Order filed with this Motion; (a) approving the PSA attached to the proposed Sale Order as **Exhibit 1**, of the Sligo South Assets to Buyers free and clear of liens, claims, interests, and encumbrances, as and to the extent set forth

in the Sale Order; (b) authorizing the assumption and assignment of the Assumed Contracts; and
(c) granting certain related relief.

August 14, 2019
Houston, Texas

/s/ Matthew D. Cavanaugh
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**COUNSEL FOR THE DEBTOR
AND DEBTOR IN POSSESSION**

Certificate of Service

I certify that on August 14, 2019, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Matthew D. Cavanaugh

Matthew D. Cavanaugh

EXHIBIT A

Johnson Declaration

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

In re:	§	
	§	Chapter 11
	§	
WEATHERLY OIL & GAS, LLC, ¹	§	Case No. 19-31087 (MI)
	§	
Debtor.	§	
	§	
	§	

**DECLARATION OF DANIEL JOHNSON IN SUPPORT OF DEBTOR’S MOTION
AUTHORIZING THE SALE AND ASSIGNMENT OF THE DEBTOR’S SLIGO SOUTH
ASSETS TO AETHON UNITED BR LP AND PEO HAYNESVILLE HOLDCO, LLC,
FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES, (B)
AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION
THEREWITH, AND (C) GRANTING RELATED RELIEF**

I, Daniel Johnson, hereby declare under penalty of perjury:

1. I am the Chief Executive Officer (“CEO”) of Weatherly Oil & Gas, LLC (“Weatherly”), the above-captioned debtor and debtor in possession (the “Debtor”).

2. I am also a Managing Director at Ankura Consulting Group, LLC (“Ankura”), which serves as Restructuring Advisor to the Debtor. I have been with Ankura for approximately two years. Prior to joining Ankura, I was a Director at Conway MacKenzie, Inc., a turnaround and restructuring advisory firm. Before that, I was a Senior Vice President at Houlihan Lokey, a global investment bank.

3. I earned my Masters in Accounting from the University of Colorado, Leeds School of Business in 2007, and my Bachelors in Accounting from the University of Colorado, Leeds

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor’s federal tax identification number, is: Weatherly Oil & Gas, LLC (4115). The Debtor’s service address is: 10777 County Road 210, Tyler, Texas, 75707.

School of Business in 2006. I am a CFA Charterholder and hold a CPA license in the State of Colorado. I have approximately 10 years of experience advising and managing companies in the energy sector, including upstream oil and gas companies.

4. In my capacity as CEO of Weatherly, I have overseen and directed the marketing process undertaken by TenOaks Energy Partners, LLC ("TenOaks") to sell substantially all of the Debtor's oil and gas assets.

5. I submit this Declaration (the "Declaration") to aid the Court and parties in interest in understanding the facts and circumstances surrounding the marketing of the Debtor's Sligo South Assets and proposed Sale to Aethon United BR LP and PEO Haynesville Holdco, LLC (collectively, the "Buyers" or "Aethon") as stated in the *Debtor's Motion (A) Authorizing the Sale and Assignment of the Debtor's Sligo South Assets Free and Clear of Liens, Claims, Interests, and Encumbrances to Aethon United BR LP and PEO Haynesville Holdco, LLC; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith, and (C) Granting Related Relief* (the "Aethon Sale Motion") filed contemporaneously herewith.²

6. Unless otherwise indicated, the facts set forth herein are based upon my personal knowledge and/or my opinions based on my knowledge and experience. If called as a witness, I could and would testify competently to the facts contained in this Declaration.

7. On July 17, 2018, the Debtor retained TenOaks to assist the Debtor in marketing its oil and gas interests and related assets (including, without limitation, leasehold, marketing agreements, contract rights, producing wells, production facilities, pipelines, gathering systems,

² Capitalized Terms used but not otherwise defined herein shall have the meanings ascribed to them in the Aethon Sale Motion.

processing and treatment plants associated therewith) located in East Texas and North Louisiana (collectively, the “Group 1 Assets”).³

8. TenOaks prepared a preliminary teaser and circulated it to over 9,500 individual contacts and 4,200 companies. TenOaks included the Debtor’s interests in wells located in Sligo Field, Bossier Parish, Louisiana (the “Sligo South Assets”) as part of that overarching effort. The process resulted in forty-seven (47) separate parties executing confidentiality agreements in order to obtain access to a detailed information memorandum and electronic data room established and maintained by TenOaks, which materials included detailed information related to the Debtor’s Sligo South Assets and operations.

9. Postpetition, I directed TenOaks to continue to solicit offers from its broad list of potential buyers to attempt to negotiate a sale of the Debtor’s Sligo South Assets. In response, the Debtor received one bid for the Sligo South Assets, which we believed undervalued the Sligo South Assets.

10. After TenOaks was ultimately unable to secure a satisfactory bid for the Sligo South Assets, the Debtor, in its business judgment, determined that the EnergyNet process presented a final and uniquely targeted opportunity to reach buyers interested in small packages of assets such as the Debtor’s Group 3 Assets, including the Sligo South Assets.

11. On May 20, 2019, I caused the Debtor to enter into that certain Seller’s Agreement for the Sale of Oil and Gas Properties (the “EnergyNet Agreement”) with EnergyNet.com LLC (“EnergyNet”). Through the EnergyNet Agreement, the Debtor granted EnergyNet the exclusive

³ Ultimately, this process resulted in the sale of the Debtor’s Sligo Non-Op and Non-Core Assets, which sales were authorized by this Court on March 26, 2019, and subsequently closed—monetizing nearly \$18 million of the Debtor’s Assets.

right to market and sell certain of the Debtor's remaining assets using EnergyNet's online auction platform.

12. With the assistance of EnergyNet, I caused the Sligo South Assets to be posted for sale on the EnergyNet platform on June 19, 2019. As is customary, the Sligo South Assets were subjected to a three to four week sale auction process with a bid deadline of July 10, 2019. The Sligo South Assets received two (2) bids by the bid deadline, after which I directed EnergyNet to negotiate with each of the bidders to obtain their highest and final offers. Following my evaluation of each of the bids, the Debtor, in its business judgment, selected Aethon as the winning bidder. The bid submitted Aethon was materially higher than the prior bid. In early August, the Debtor and Aethon finalized the form of PSA that is the subject of the present Aethon Sale Motion.

13. Upon information and belief, Aethon is a reputable buyer that is able and willing to quickly close on the proposed Sale of the Sligo South Assets and has the necessary capital to consummate the Sale. Thus, I believe that Aethon presented the highest and best offer for the Sligo South Assets.

14. I am satisfied that the scope of the notification, both pre- and post-petition, of the Sale of the Sligo South Assets was extensive, interested parties had sufficient access and opportunity to review the necessary information to evaluate the Sligo South Assets, and potential bidders had adequate time to submit a bid over the eleven (11) month marketing process.

15. With the exception of Aethon, whose identity was ultimately made public in connection with this Sale Motion, EnergyNet did not make potential bidders aware of the identities of other interested parties. I am not aware of any collusion between bidders during the bidding process.

16. I believe that the \$225,000.00 purchase price constitutes the highest or otherwise best offer that the Debtor could obtain for the Sligo South Assets under this process and in light of current market conditions.

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

DATED: August 14, 2019

/s/ Daniel Johnson

Daniel Johnson
Chief Executive Officer
Weatherly Oil & Gas, LLC

EXHIBIT B

Form of Cure Notice

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

In re: WEATHERLY OIL & GAS, LLC, ¹ Debtor.	§ § § § § § §	Chapter 11 Case No. 19-31087 (MI)
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NOTICE OF CURE AMOUNTS

PLEASE TAKE NOTICE that pursuant to § 365 of the Bankruptcy Code, the above captioned debtor and debtor in possession (the “Debtor”) hereby provides notice that the unexpired leases or executory contracts (collectively, the “Assumed Contracts”) attached hereto may be assumed and assigned to the Buyers.

PLEASE TAKE NOTICE that opposite the name of each non-debtor party to such Assumed Contract listed herein is the dollar amount that the Debtor believes is necessary to cure any defaults under the Assumed Contracts to which such non-Debtor is a party as of the Effective Time of the PSA (*i.e.*, July 1, 2019) (“Cure Amount”). If you have received this notice, it is possible that your unexpired lease or executory contract may be a contract or lease to be assumed by the Debtor and assigned to the Buyers. The Buyers may elect to have any Assumed Contract listed herein assigned to it in its sole discretion at any time.

PLEASE TAKE FURTHER NOTICE that all objections to the assumption and assignment of the Assumed Contracts or to the amounts listed as Cure Amounts hereto, shall be filed on or before **11:59 p.m. prevailing Central Time on August 20, 2019**, with the Court and

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor’s federal tax identification number, is: Weatherly Oil & Gas, LLC (4115). The Debtor’s service address is: 777 Taylor St., Suite 902, Fort Worth, TX 76102.

served so as to be actually received by counsel for the Debtor and the Buyers at or before that time (each, a “Cure Objection”). The Cure Objection must state with specificity the amounts that the non-Debtor party believes are necessary to cure the defaults with appropriate documentation in support thereof. If no objection is timely received, the Cure Amounts set forth attached to this Cure Notice shall be controlling notwithstanding anything to the contrary in any designated contract or other document and the non-debtor party to the designated Assumed Contract shall be forever barred from asserting any other claim arising prior to the assignment against the Debtor or the Buyers as to such designated Assumed Contract and such non-debtor party shall be deemed to have consented to the assumption and assignment of such designated Assumed Contract to the proposed Buyers.

August 14, 2019
Houston, Texas

/s/ Matthew D. Cavanaugh
Matthew D. Cavanaugh (TX Bar No. 24062656)
Elizabeth Freeman (TX Bar No. 24009222)
Kristhy M. Peguero (TX Bar No. 24102776)
JACKSON WALKER L.L.P.
1401 McKinney Street, Suite 1900
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Email: mcavanaugh@jw.com
Email: efreeman@jw.com
Email: kpeguero@jw.com

**COUNSEL FOR THE DEBTOR
AND DEBTOR IN POSSESSION**

Cure Exhibit

Sligo South - Contract Cure Schedule

AGREEMENT NO.	AGREEMENT TYPE	FIRST PARTY	SECOND PARTY	DATE	PARISH	STATE	CURE AMOUNT AS OF 8/7/2019
JOA 000-0002	OPERATING AGREEMENT	CHESAPEAKE LOUISIANA L P	CHESAPEAKE INVESTMENTS	1/15/2008	BOSSIER	LA	-
JOA 926-0002	OPERATING AGREEMENT	UNION PRODUCING COMPANY	ARKANSAS LOUISIANA GAS CO	1/1/1957	BOSSIER	LA	-
JOA 926-0004	OPERATING AGREEMENT	UNION PRODUCING COMPANY	A J HODGES, ET AL	6/2/1958	BOSSIER	LA	-
	SALE AND PURCHASE OF NATURAL GAS	TEXLA ENERGY MANAGEMENT, INC	WEATHERLY OIL & GAS, LLC	9/5/2006	BOSSIER	LA	-
	SALE AND PURCHASE OF CRUDE OIL & CONDENSATE	GENESIS CRUDE OIL, L.P.	CHESAPEAKE OPERATING INC.	8/25/2004	BOSSIER	LA	-
Contract #21615	COMPRESSOR AGREEMENTS	J-W POWER COMPANY	WEATHERLY OIL & GAS, LLC	10/1/2017	BOSSIER	LA	-
Contract #21839	COMPRESSOR AGREEMENTS	J-W POWER COMPANY	WEATHERLY OIL & GAS, LLC	1/26/2018	BOSSIER	LA	-

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

In re: WEATHERLY OIL & GAS, LLC, ¹ <div style="text-align: right;">Debtor.</div>	§ § § § § § § §	Chapter 11 Case No. 19-31087 (MI)
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**ORDER APPROVING DEBTOR’S MOTION (A) AUTHORIZING THE
SALE OF THE DEBTOR’S SLIGO SOUTH ASSETS FREE AND CLEAR OF LIENS,
CLAIMS, INTERESTS, AND ENCUMBRANCES TO AETHON UNITED BR LP AND
PEO HAYNESVILLE HOLDCO, LLC, (B) AUTHORIZING THE ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES IN CONNECTION THEREWITH, AND (C) GRANTING RELATED RELIEF**
[Relates To ECF No. ____]

Upon the motion (the “Motion”)² of the above-captioned debtor and debtor in possession for entry of an order (this “Order”), (a) approving the form of Purchase and Sale Agreement by and between Weatherly and Aethon United BR LP and PEO Haynesville Holdco, LLC (collectively, the “Buyers” or “Aethon”), attached hereto as **Exhibit 1** (the “PSA”), which provides for (a) the sale of certain of the Debtor’s Sligo Field, Bossier Parish, Louisiana oil and gas assets identified as the “Assets” in the PSA (the “Sligo South Assets”) to Buyers in a private sale free and clear of all liens, claims, interests, and encumbrances (as more fully defined in paragraph 6 below, the “Liens, Claims, and Interests”) to the fullest extent permitted by § 363(f) of the Bankruptcy Code (the “Sale”); and (b) authorizing the assumption and assignment of certain executory contracts and unexpired leases associated with the Sligo South Assets, and (c) granting

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor’s federal tax identification number, is: Weatherly Oil & Gas, LLC (4115). The Debtor’s service address is: 10777 County Road 210, Tyler, Texas, 75707.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

other related relief, all as more fully set forth in the Motion; and upon the Johnson Declaration; and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion before this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interest of the Debtor's estate, its creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion was given to all parties entitled to such notice under the Bankruptcy Code and Bankruptcy Rules, is appropriate under the circumstances, and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

General Provisions

1. The Motion is granted and the relief requested therein with respect to the Sale is granted and approved in its entirety, as set forth herein.
2. All objections to the Motion or relief requested therein, if any, that have not been withdrawn, waived, or settled as announced to this Court at the Hearing or by stipulation filed with this Court, and all reservations of rights included therein, are hereby overruled on the merits.

Approval of the Sale

3. The PSA is hereby approved, and the Debtor is authorized to take any and all actions necessary or appropriate to consummate the Sale.

4. The Debtor has satisfied all requirements of §§ 363(b) and 363(f) of the Bankruptcy Code, and all other requirements and standards applicable to a sale outside the ordinary course of business, free and clear of all Liens, Claims, and Interests.

Sale and Transfer of Sligo South Assets

5. Pursuant to §§ 105 and 363(b) of the Bankruptcy Code, the Debtor, and its directors, officers, employees, and agents have the necessary corporate power and are authorized and directed to take any and all actions necessary to: (a) consummate the Sale of the Sligo South Assets to the Buyers pursuant to and in accordance with the terms and conditions of the PSA, (b) close the Sale of the Sligo South Assets as contemplated by the PSA and this Order, and (c) execute and deliver, perform under, consummate, implement, and close fully the PSA, together with all documents, instruments, and agreements necessary or appropriate to consummate the transaction pursuant to the PSA.

6. Pursuant to §§ 105(a), 363(b) and 363(f) of the Bankruptcy Code, the Debtor is authorized to transfer, and upon the Closing shall have transferred, all of the Debtor's right, title, and interest in and to, and possession of, the Sligo South Assets to Buyers, which shall be immediately vested in Buyers, and, to the extent provided in the PSA, such title to the Sligo South Assets shall be transferred to Buyers free and clear of all Liens, Claims, and Interests, including:

- liens (including, without limitation, mechanics', materialmen's, and other consensual and non-consensual liens and statutory liens) mortgages, restrictions, hypothecations, charges, indentures, loan agreements, instruments, leases, licenses, options, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, judgments, demands, encumbrances, easements, and servitudes (including, without

limitation, the liens, claims, encumbrances, interests, and mortgages of Angelo, Gordon Energy Servicer, LLC);

- interests, obligations, liabilities, demands, guaranties, options, restrictions, and contractual or other commitments;
- rights, including, without limitation, rights of first refusal, rights of offset (except for offsets exercised prior to the Petition Date), contract rights, and recovery;
- decrees of any court or foreign or domestic government entity (to the extent permitted by law);
- charges or restrictions of any kind or nature, including, without limitation, any restriction on the use, transfer, receipt of income or other exercise of any attributes of ownership of the Sligo South Assets, including, without limitation, consent of any Person to assign or transfer any of the Sligo South Assets;
- debts arising in any way in connection with any agreements, acts, or failures to act, of the Debtor or any of the Debtor's predecessors or affiliates;
- claims (as that term is defined in the Bankruptcy Code), including claims for reimbursement, contribution claims, indemnity claims, exoneration claims, alter-ego claims, environmental claims (to the fullest extent allowed by applicable law), including claims that may be secured or entitled to priority under the Bankruptcy Code, tax claims, reclamation claims, and pending litigation claims;
- matters of any kind or nature whatsoever, whether at law or in equity and whether 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 un-matured, material or nonmaterial, disputed or undisputed, whether arising prior to or during the Debtor's bankruptcy case, and whether imposed by agreement, understanding, law, equity or otherwise.

All such Liens, Claims, and Interests shall attach to the proceeds of the Sale of the Sligo South Assets (the "Cash Proceeds") in the order of their priority, with the same validity, force, and effect that they had against the Sligo South Assets prior to entry of this Order, subject to any claims and defenses that the Debtor may possess with respect thereto. The Cash Proceeds of the Sale authorized by this Order shall be remitted to the Debtor and shall be subject to the terms of the

Final Order Authorizing Limited Use of Cash Collateral, Obtaining Post-Petition Financing Secured by Senior Liens, and Granting Adequate Protection to Prepetition Secured Parties [ECF No. 180] (the “Final Financing Order”). The Buyers shall not assume and is not liable for any liabilities arising from the Excluded Assets (as defined in the PSA).

7. This Order shall be binding in all respects upon the Debtor, its estate, its affiliates, its creditors (whether known or unknown), and holders of equity interests in the Debtor, any holders of Liens, Claims, and Interests against or on all or any portion of the Sligo South Assets, all counterparties to the Contracts, Buyers and all of their successors and assigns. This Order and the PSA shall inure to the benefit of the Debtor and its estate, Buyers, and their respective successors and assigns.

8. This Order shall be effective as a determination that, pursuant to the PSA, all Liens, Claims, and Interests (except as provided under the PSA), have been unconditionally released, discharged and terminated as to the Buyers and the Sligo South Assets. This Order is binding upon and shall govern the acts of all persons and entities, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal 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 any lease; and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the Sale contemplated by the PSA.

9. Following entry of the Order, no holder of any Lien, Claim, or Interest in the Sligo South Assets (except to the extent provided under the PSA solely in accordance with applicable law) shall interfere with the Buyers' title to, or use and enjoyment of, the Sligo South Assets based on, or related to, any such Lien, Claim or Interest, or based on any actions the Debtor may take in this case.

10. Persons, including, without limitation, the Debtor, all holders of Liens, Claims, or Interests (other than as provided under the PSA) or other rights, debt security holders, equity security holders, governmental, tax and regulatory authorities (as to governmental, tax and regulatory authorities, to the greatest extent allowed by applicable law), lenders and trade and other creditors holding and/or asserting claims (as that term is defined in the Bankruptcy Code) including, but not limited to, claims arising out and/or related to the Sale of the Sligo South Assets (except for any claims arising pursuant to the PSA), and/or Liens, Claims, or Interests arising in any way in connection with any acts, or failure to act, of the Debtor, obligations, demands or guaranties, of any kind and nature against or in the Debtor or the Sligo South Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, senior or subordinated), arising under or out of, in connection with or in any way relating to the Debtor, the Sligo South Assets, the operation of the Debtor's business prior to the Effective Time, or the transfer of the Sligo South Assets to the Buyers, hereby are, and will be, forever barred, estopped and permanently enjoined from asserting such Liens, Claims, or Interests against Buyers, their successors or assigns, or its property, including the Sligo South Assets. Nothing in this Order releases, nullifies, precludes, or enjoins the enforcement of any police or regulatory liability to a governmental unit, to which the Buyers may be subject to as the post-sale owner or operator of any property that is an Asset (as defined in the PSA) after the date of entry of this Order; *provided,*

however, that all rights and defenses of the Buyers under nonbankruptcy law are preserved. Nothing in this Order or the PSA authorizes the transfer or assignment of any governmental (i) license, (ii) permit, (iii) registration, (iv) authorization, or (v) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and required approvals, if any, under police or regulatory law. Nothing in this Order 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.

11. Upon entry of this Order, all creditors and any other holder of a Lien, Claim or Interest is authorized and directed to execute such documents and take all other actions as may be necessary to release its Lien, Claim, or Interest in the Sligo South Assets (except to the extent provided in the PSA). If any person or entity that has filed financing statements, mortgages, deeds of trust, mechanic's liens, *lis pendens* or other documents or agreements evidencing Liens, Claims or Interests against the Sligo South Assets has not delivered to the Debtor prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all interests which the person or entity has with respect to the Sligo South Assets or otherwise, then with regard to the Sligo South Assets: (i) the Debtor is hereby authorized, and the Buyers are hereby authorized, to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Sligo South Assets; and (ii) the Buyers are hereby authorized to file, register or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Liens, Claims, and Interests (except to the extent provided under the PSA) against the Sligo South Assets. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and

appropriate to consummate the transactions contemplated by the PSA, including, without limitation, recordation of this Order. This 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. This Order shall be binding upon and shall govern the acts of all persons including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons 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 any of such assets or other property interests. Notwithstanding and without limiting the foregoing, the provisions of this Order authorizing the Sale of the Sligo South Assets free and clear of Liens, Claims and Interests (except to the extent provided in the PSA), shall be self-executing, and neither the Debtor nor the Buyers shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate and implement the provisions of this Order.

12. The Buyers are not and shall not be deemed “successors” to the Debtor or its estate, or to have, *de facto* or otherwise, merged with or into the Debtor or be a mere continuation or substantial continuation of the Debtor or the enterprise of the Debtor under any theory of law or equity as a result of any action taken in connection with the PSA or any of the transactions or documents ancillary thereto or contemplated thereby or in connection with the acquisition of the Sligo South Assets. The Buyers have given substantial consideration under the PSA, which consideration shall constitute valid, valuable, and sufficient consideration for the absolution from

any potential claims of successor liability of the Buyers to the greatest extent allowed by applicable law.

Good Faith

13. The PSA and all related documents, instruments and agreements were negotiated, proposed and entered into by the Debtor and the Buyers at arm's length, without collusion, and in good faith within the meaning of § 363(m) of the Bankruptcy Code. The Buyers are not "insiders" of the Debtor, as that term is defined in Bankruptcy Code § 101(31). The Buyers are good faith purchasers and entitled to all of the protections of § 363(m) of the Bankruptcy Code. The good faith finding is necessary under the Sale and the Sale cannot proceed without it.

Assumption and Assignment of the Assumed Contracts

14. Pursuant to §§ 105(a), 363(b)(1), and 365(a) of the Bankruptcy Code, the Debtor's Sale, assumption, and assignment of the Assumed Contracts to Buyers is approved, and the requirements of § 365(b)(1) of the Bankruptcy Code with respect thereto are deemed satisfied. All requirements and conditions under §§ 363 and 365 of the Bankruptcy Code for the assumption by the Debtor and assignment to Buyers of the Assumed Contracts have been satisfied. The Debtor is hereby authorized to (i) assume and assign to Buyers, effective as of the Effective Time, the Assumed Contracts free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever, other than to the extent provided under the PSA, and (ii) execute and deliver to Buyers such documents or other instruments as Buyers reasonably deem necessary to assign and transfer the Assumed Contracts to Buyers. Buyers have provided adequate assurance of future performance of their obligations under the Assumed Contracts. Upon entry of this Order, all cure amounts applicable to the Assumed Contracts, as listed on **Exhibit B** to the Motion, will be paid in accordance with the Final Financing Order, or any other order with respect to debtor in possession financing or the Debtor's use of cash collateral.

15. The Assumed Contracts shall be transferred to, and remain in full force and effect for the benefit of Buyers in accordance with its terms, notwithstanding any provision in any such contract that prohibits, restricts, or conditions such assignment or transfer pursuant to § 365(f) of the Bankruptcy Code. There shall be no accelerations, assignment fees, increases, or any other fees charged to Buyers or the Debtor as a result of the assumption and assignment of the Assumed Contracts.

Approval and Payment of the EnergyNet Fee

16. The Debtor is authorized to pay the EnergyNet Fee as provided in the EnergyNet Agreement as they relate to the Sale. EnergyNet's commission of \$12,375 shall be deducted from the proceeds of the Sale.

17. To the extent there is inconsistency between the terms of the EnergyNet Agreement and this Order, the terms of this Order shall govern.

Additional Provisions

18. Nothing in this Order shall be deemed a waiver of any rights, remedies or defenses that any party has or may have under applicable bankruptcy and non-bankruptcy law, under any related agreements or any letters of credit relating thereto, or any rights, remedies or defenses of the Debtor with respect thereto.

19. To the extent that any provision of this Order is inconsistent with the terms of the PSA, the Order shall govern.

20. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

21. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

22. The requirements set forth in Bankruptcy Local Rule 9013-1 and the Complex Case Procedures are satisfied by the contents of the Motion.

23. Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), this Order shall be effective and enforceable immediately upon entry hereof.

24. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Houston, Texas

Dated: _____, 2019

MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

PSA

PURCHASE AND SALE AGREEMENT

by and among

WEATHERLY OIL & GAS, LLC

as Seller

and

AETHON UNITED BR LP

and

PEO HAYNESVILLE HOLDCO, LLC

as Buyer

dated

August [●], 2019

UNLESS AND UNTIL AN AUTHORIZED REPRESENTATIVE OF SELLER OR ITS AFFILIATES AND AN AUTHORIZED REPRESENTATIVE OF BUYER OR ITS AFFILIATES EXECUTES A DEFINITIVE AGREEMENT FOLLOWING FINAL MANAGEMENT APPROVAL, NONE OF SELLER OR ITS AFFILIATES OR BUYER OR ITS AFFILIATES HAS ANY OBLIGATION (LEGAL OR OTHERWISE) TO CONCLUDE A TRANSACTION. UNLESS INCLUDED IN A DEFINITIVE AGREEMENT, COMMUNICATIONS (WRITTEN OR ORAL) SHALL NOT CREATE ANY OBLIGATIONS WHATSOEVER ON SELLER OR ITS AFFILIATES, OR BUYER, OR ITS AFFILIATES AND NO PARTY MAY RELY ON THEM AS THE BASIS FOR TAKING ANY ACTION, FOREGOING ANY ACTION OR OPPORTUNITY OR INCURRING ANY COSTS. SELLER AND ITS AFFILIATES RESERVE THE RIGHT TO REJECT ANY OR ALL PROPOSALS FOR ANY REASON WHATSOEVER AND TO ACCEPT ANY ONE OR MORE PROPOSALS. SELLER AND BUYER AGREE TO NEGOTIATE SUCH PROPOSALS IN ANY MANNER SELLER OR ITS AFFILIATES OR BUYER OR ITS AFFILIATES DEEMS APPROPRIATE.

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is executed as of August [●], 2019 (the “**Execution Date**”), by and among Weatherly Oil & Gas, LLC, a Delaware limited liability company (“**Seller**”), Aethon United BR LP, a Delaware limited partnership (“**Aethon**”), and PEO Haynesville Holdco, LLC, a Delaware limited liability company (“**PEO**” and together with Aethon, “**Buyer**”). Seller and Buyer are referred to herein as a “**Party**”, and Seller and Buyer, collectively, as the “**Parties**”.

RECITALS

WHEREAS, Seller is engaged in the business of onshore oil and natural gas exploration, development and production in the United States of America, and owns, in varying proportions, certain oil and gas leases and associated assets and interests more particularly described in this Agreement as the “**Assets**” (as defined below);

WHEREAS, on February 28, 2019, Seller commenced a voluntary case and is a debtor-in-possession of the Assets under chapter 11 of the Bankruptcy Code, pending as Case No. 19-31087 in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”);

WHEREAS, Seller desires to sell and assign to Buyer, and Buyer desires to purchase from Seller, the Assets upon the terms and conditions hereinafter set forth;

WHEREAS, the Parties intend to effectuate the transactions contemplated by this Agreement through a sale of assets pursuant to sections 105, 363 and 365 of the Bankruptcy Code (as hereinafter defined), as applicable;

WHEREAS, the Parties acknowledge and agree that the terms of this Agreement are the result of arm’s length negotiations following a competitive marketing and bidding process conducted by EnergyNet.com, Inc. (“**EnergyNet**”); and

WHEREAS, Seller’s ability to consummate the transactions set forth in this Agreement is subject to, among other things, the entry of the Sale Order (as hereinafter defined) by the Bankruptcy Court;

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, the benefits to be derived by each Party hereunder, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **Certain Defined Terms**. Any capitalized term used but not defined within the body of this Agreement shall have the meaning ascribed to that term in **Appendix I** attached hereto.

2. **Assets**. Subject to the terms of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell (1) with respect to Aethon, a 90% undivided interest in and to, and (2) with respect to PEO, a 10% undivided interest in and to, all of Seller’s rights, title and interests in and to the following, except to the extent constituting Excluded Assets (all of Seller’s rights, title and interest in and to such assets, less and except the Excluded Assets, collectively, the “**Assets**”): (a) all oil and gas leases and oil, gas and mineral leases, subleases and other leaseholds, royalties, overriding royalties, net profits interests, production payments, carried interests, options and other rights to Hydrocarbons in place, in each case, whether producing or non-producing, as more particularly described in **Exhibit A-1** (collectively, the “**Leases**”), together with (A) any and all other rights, titles and interests of Seller in and to the lands covered or burdened thereby, and (B) all other interests of Seller of any kind or character in and to the Leases; (b)

all presently existing unitization, pooling and/or communitization agreements, orders, declarations or designations and statutorily, judicially or administratively created drilling, spacing and/or production units, whether recorded or unrecorded, insofar as the same are attributable or allocated to the Leases, and all of Seller's interest in and to the properties covered or such units created thereby (collectively, the "**Units**"; and, together with the Leases, the "**Oil and Gas Interests**"; (c) all wells located upon the Leases or Units or otherwise used in connection with the ownership or operation of the Assets, whether plugged and abandoned, including the wells set forth in Exhibit A-2 (the "**Wells**" and together with the Oil and Gas Interests, the "**Properties**"; (d) all easements, surface leases, permits, licenses, servitudes, rights of way, surface use agreements and all other rights and appurtenances located on or primarily used in connection with the Properties (the "**Surface Rights**"; (e) all tangible personal, movable and mixed property, equipment, machinery, fixtures and improvements, including all injection wells, salt water disposal facilities, well heads, well equipment, casing, manifolds, tubing, pumps, motors, gauges, valves, heaters, treaters, water lines, vessels, tanks, boilers, separators, treating equipment, compressors, pipelines, flow lines, gathering systems, processing and separation facilities, pads, structures, other equipment, automation systems including meters and related telemetry on wells, power lines, telephone and communication lines and other appurtenances, network equipment and associated peripherals, radio and telephone equipment (including cellular telephones), SCADA, telemetry and other measurement technology, and well communication devices, in each case, to the extent located on or primarily used in connection with the ownership or operation of the other Assets; (f) all contracts and agreements to the extent which all or any portion of the Properties or Surface Rights is subject, including the contracts and agreements set forth in Exhibit A-3 (the "**Contracts**"; (g) all Hydrocarbons in, on, under or produced from or allocated to any of the Properties from and after the Effective Time, and all Hydrocarbons for which Seller receives an adjustment to the Purchase Price, and in each case, the proceeds thereof; (h) all rights, benefits and obligations arising from or in connection with any Imbalances attributable to of the Properties, existing as of or arising after the Effective Time; (i) the Records; and (j) except to the extent related to the Excluded Assets or Specified Obligations, any rights, claims, causes, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller relating to the Assets described in items (a)-(i) above.

3. **Excluded Assets.** Seller shall reserve and retain the following "**Excluded Assets**": (a) all of Seller's corporate minute books and corporate financial records that relate to Seller's business generally; (b) all trade credits, all accounts, receivables, if any, and all other proceeds, income or revenues attributable to the Assets with respect to any period of time prior to the Effective Time; (c) all claims, causes of action, manufacturers' and contractors' warranties and other rights of Seller arising under or with respect to (i) any Assets that are attributable to periods of time prior to the Effective Time including claims for adjustments or refunds, and (ii) any other Excluded Assets; (d) all Hydrocarbons produced from the Assets with respect to all periods prior to the Effective Time, other than those Hydrocarbons produced from or allocated to the Assets and in storage or existing in stock tanks, pipelines or plants (including inventory) as of the Effective Time for which the Purchase Price is adjusted upward at Closing; (e) all amounts held by Seller in suspense that are attributable to sales of Hydrocarbons produced from the Assets, as applicable (including any amounts subject to escheat obligations pursuant to applicable Law); (f) all personal computers, network equipment and associated peripherals; (g) all drilling rigs, and all trucks, cars and vehicles; (h) all master services agreements or similar contracts; (i) all easements, rights-of-way, surface rights, equipment, pipe and inventory (in each case, whether located on or off the lands covered by the Leases or lands pooled or unitized therewith) not currently being used or held for use in connection with the ownership or operation of the Assets (other than the Surface Rights and any surface rights granted under any of the Leases); (j) all of Seller's proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property; (k) legal records and legal files of Seller, including all work product of and attorney-client communications with Seller's legal counsel or any other documents or instruments that may be protected by an attorney-client privilege or the attorney work-product doctrine, but excluding any title opinions covering the Oil and Gas Interests; (l) all documents and instruments and other data or information

that cannot be disclosed to Buyer as a result of confidentiality arrangements under agreements with third parties; (m) all audit rights arising under any of the 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; (n) all well data and geophysical and other seismic and related technical data and information relating to the Assets; (o) all oil and gas fee interests or mineral fee interests of Seller and its Affiliates other than those directly relating to the Oil & Gas Interests or the lands covered thereby; (p) all claims of Seller or any of its Affiliates for refunds of, rights to receive funds from any Governmental Authorities, or loss carry forwards or credits with respect to (i) any and all taxes imposed by any applicable Law on, or allocable to, Seller or any of its Affiliates, or any combined, unitary or consolidated group of which any of the foregoing is or was a member, (ii) any taxes imposed on or with respect to the ownership or operation of the Excluded Assets, and (iii) any and all other taxes imposed on or with respect to the ownership or operation of the Assets for any tax period (or portion thereof) ending before the Effective Time and (q) any Contract that contains any firm transportation obligation, minimum volume commitment or similar obligation.

4. **Purchase Price.** The purchase price for the Assets shall be Two Hundred Twenty-Five Thousand Dollars (\$225,000) (the “***Purchase Price***”), subject to any adjustments that may be made under Section 5. Concurrently with the execution of this Agreement, Buyer shall pay to Seller, via wire transfer of immediately available funds, the sum of Twenty-Two Thousand Five Hundred Dollars (\$22,500), representing ten percent (10%) of the Purchase Price (such amount, the “***Deposit***”). If Closing occurs, the Deposit shall be applied as a credit toward the Preliminary Purchase Price at Closing. If Closing does not occur, the Deposit will be returned to Buyer or retained by Seller in accordance with Section 20. The effective time of the conveyance of the Assets shall be 12:01 a.m. Central Standard Time on July 1, 2019 (the “***Effective Time***”).

5. **Purchase Price Adjustments.** Following Closing, Buyer shall be entitled to all revenues, production, proceeds, income, and products from or attributable to the Assets from and after the Effective Time, and shall be responsible for (and entitled to any refunds with respect to) all costs and expenses attributable to the Assets and incurred from and after the Effective Time. Seller shall be entitled to all revenues, production, proceeds, income, accounts receivable and products from or attributable to the Assets prior to the Effective Time, and shall be responsible for (and entitled to any refunds with respect to) all costs and expenses attributable to the Assets and incurred prior to the Effective Time.

(a) The Purchase Price will be increased by the following amounts, without duplication:

(1) the aggregate amount of proceeds received by Buyer for which Seller would otherwise be entitled with respect to the Assets;

(2) an amount equal to the market value of all Hydrocarbons attributable to the Assets in storage or existing in stock tanks, pipelines and/or plants (including inventory), in each case that are, as of the Effective Time, (i) upstream of the pipeline connection or (ii) upstream of the sales meter, in each case, net of burdens;

(3) the aggregate amount of all Property Costs attributable to the Assets during the period from and after the Effective Time and that have been paid by Seller, but excluding any amounts previously reimbursed to Seller;

(4) the amount of all Asset Taxes allocable to Buyer pursuant to Section 17 but paid or otherwise economically borne by Seller; and

(5) any other upward adjustment mutually agreed upon by the Parties.

- (b) The Purchase Price will be decreased by the following amounts, without duplication:
- (1) the aggregate amount of proceeds received by Seller for which Buyer would otherwise be entitled with respect to the Assets;
 - (2) the aggregate amount of all Property Costs attributable to the Assets during the period prior to the Effective Time and that have been paid by Buyer, but excluding any amounts previously reimbursed to Buyer;
 - (3) the amount of all Asset Taxes allocable to Seller pursuant to Section 17 but paid or otherwise economically borne by Buyer; and
 - (4) any other downward adjustment mutually agreed upon by the Parties.
- (c) Not less than three (3) Business Days prior to Closing, Seller shall deliver to Buyer a statement (the “**Preliminary Settlement Statement**”) setting forth, in reasonable detail, Seller’s estimate of the adjustments to the Purchase Price pursuant to this Section 5. Buyer shall notify Seller no later than two (2) days prior to Closing if it disagrees with any item on such Preliminary Settlement Statement. The Parties shall use their reasonable efforts to agree on a final Preliminary Settlement Statement no later than one (1) day prior to Closing. The Purchase Price, adjusted as provided in the Preliminary Settlement Statement, is referred to herein as the “**Preliminary Purchase Price**.” If Buyer and Seller are unable to agree upon the final Preliminary Settlement Statement, then the Preliminary Purchase Price shall be as provided in the final Preliminary Settlement Statement acceptable to Seller, and any disputed amounts shall be resolved in the course of the final accounting as provided below. The final settlement statement (the “**Final Settlement Statement**”) shall be prepared by Seller and delivered to Buyer no later than fifteen (15) Business Days after the Closing Date. Buyer shall notify Seller in writing of any disagreement (together with reasonable supporting documentation) that Buyer has with respect to the proposed Final Settlement Statement (an “**Audit Report**”) within ten (10) days of Buyer’s receipt of the proposed Final Settlement Statement. If Buyer does not notify Seller of any disagreement with respect to the proposed Final Settlement Statement within such ten (10)-day period, the proposed Final Settlement Statement will be deemed to be mutually agreed upon by the Parties and will be final and binding upon the Parties. The undisputed amounts (net of any amounts in dispute) will be paid to Seller or Buyer, as applicable, within two (2) Business Days from the end of the aforementioned ten (10)-day period. The Parties agree to negotiate in good faith to resolve any disputes relating to items in the Final Settlement Statement and shall meet no later than five (5) days after Seller receives the Audit Report to attempt to agree on any adjustments to the Final Settlement Statement. If the Parties fail to agree on final adjustments within that five (5)-day period, either Party may, within three (3) days after the end of such period, submit the disputed items to KPMG US LLP or such other Person as the Parties mutually agree upon in writing (the “**Accounting Referee**”). Any unresolved matters covered in the Audit Report that are not submitted to the Accounting Referee within such three (3)-day period shall be deemed waived by the Party not submitting the claims to the Accounting Referee, which waiver shall be final and binding on the Parties and the subject matter thereof shall not be subject to further review or audit. The Parties shall direct the Accounting Referee to resolve the disputes within five (5) days after its receipt of all relevant

materials pertaining to the dispute. The Accounting Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. Seller, on the one hand, and Buyer, on the other hand, shall share equally the Accounting Referee's costs, fees and expenses. The Final Settlement Statement, whether as agreed between the Parties or as determined by a decision of the Accounting Referee, shall be binding on, and non-appealable by, the Parties and not subject to further review or audit. Payment by Buyer or Seller, as applicable, for any outstanding amounts on the Final Settlement Statement shall be made within two (2) Business Days after the date on which all disputes in respect of the Final Settlement Statement are finally resolved (whether by agreement of the Parties or pursuant to the Accounting Referee's decision).

6. **Title.** Seller will assign to Buyer all of its right, title and interest in and to the Assets pursuant to the form of Assignment attached hereto as Exhibit B and subject to the Sale Order.

7. **Disclaimers.** EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY SET FORTH IN SECTION 12 OR IN THE ASSIGNMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND SELLER EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER OR ANY BUYER REPRESENTATIVE (INCLUDING ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER). WITHOUT LIMITING THE GENERALITY OF THE FOREGOING PROVISIONS AND SUBJECT TO THE EXCEPTIONS SET FORTH THEREIN, SELLER EXPRESSLY DISCLAIMS 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 PROPERTIES, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE PROPERTIES, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE PROPERTIES, (VI) THE MAINTENANCE, STATE OF REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION, MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY OR ON BEHALF OF SELLER OR THIRD PARTIES WITH RESPECT TO THE ASSETS, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO BUYER OR ANY BUYER REPRESENTATIVE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO AND (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT. SELLER FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS OR REDHIBITORY DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY ASSETS, RIGHTS OF A PURCHASER UNDER LAW TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE OR CONSIDERATION, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT (A) BUYER SHALL BE DEEMED TO BE ACQUIRING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS," "WHERE IS" AND WITH ALL FAULTS AND DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND (B) BUYER HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS BUYER DEEMS

APPROPRIATE. SELLER HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF HAZARDOUS MATERIALS OR OTHER MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY. THE PARTIES CERTIFY THAT THEY ARE NOT “CONSUMERS” WITHIN THE MEANING OF THE TEXAS DECEPTIVE TRADE PRACTICES (CONSUMER PROTECTION) ACT, SUBCHAPTER E OF CHAPTER 17, SECTIONS 17.41, ET SEQ. OF THE TEXAS BUSINESS AND COMMERCE CODE, AS AMENDED (“DTPA”). THE PARTIES COVENANT, FOR THEMSELVES AND FOR AND ON BEHALF OF ANY SUCCESSOR OR ASSIGNEE, THAT IF THE DTPA IS APPLICABLE TO THIS AGREEMENT: (1) THE PARTIES ARE “BUSINESS CONSUMERS” AS THAT TERM IS DEFINED IN THE DTPA; (2) EACH PARTY HEREBY WAIVES AND RELEASES ALL OF ITS RIGHTS AND REMEDIES THEREUNDER AS APPLICABLE TO THE OTHER PARTY AND ITS SUCCESSORS AND ASSIGNS; AND (3) EACH PARTY SHALL DEFEND AND INDEMNIFY THE OTHER PARTY FROM AND AGAINST ANY AND ALL CLAIMS OF OR BY THE INDEMNIFYING PARTY OR ANY OF ITS SUCCESSORS OR ASSIGNS OR ANY OF ITS OR THEIR AFFILIATES BASED IN WHOLE OR IN PART ON THE DTPA AND ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. SELLER AND BUYER AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION 7 ARE CONSPICUOUS DISCLAIMERS FOR THE PURPOSE OF ANY APPLICABLE LAW.

8. **Obligations.** From and after Closing, except to the extent such obligations or liabilities constitute Specified Obligations or are discharged by the Bankruptcy Court pursuant to the Sale Order, Buyer shall assume and hereby agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged), without duplication, (a) all obligations and liabilities with respect to the Assets arising on or after the Effective Time and (b) all obligations and liabilities not currently due and payable with respect to the Assets and solely relating to compliance with Environmental Laws and/or Plugging and Abandonment Obligations, whether arising prior to, on or after the Effective Time (all of said obligations and liabilities, herein being referred to as the “*Assumed Obligations*”); *provided, however*, that Buyer does not assume any obligations or liabilities to the extent they are Specified Obligations. Without limiting the foregoing, Seller agrees to retain all obligations and liabilities solely to the extent arising out of or related to (i) death or physical injury to any employees of Seller related to or arising out of Seller’s ownership or operation of the Assets occurring prior to the Closing; (ii) any and all taxes imposed by any applicable Law on, or allocable to, Seller or any of its Affiliates, or any combined, unitary or consolidated group of which any of the foregoing is or was a member; (iii) any and all other taxes imposed on or with respect to the ownership or operation of the Assets for any tax period (or portion thereof) ending before the Effective Time; (iv) the ownership or operation of any Excluded Assets; (v) the gross negligence or willful misconduct of Seller or any of its Affiliates in connection with the operation of the Assets prior to Closing; (vi) the failure to report or to pay (or the incorrect payment) to any royalty owner, overriding royalty owner, working interest owner or other interest holder under the Oil & Gas Properties any amounts due or owing prior to the Closing Date; (vii) fines, penalties or other sanctions arising from violations of applicable Laws that occurred or are attributable to events that occurred prior to Closing; (viii) any litigation, suits, actions or other similar proceedings relating to the Assets in existence as of the Closing; and (ix) any off-site transport or disposal, or arrangement for transport or disposal, of any hazardous substances prior to Closing (all of said obligations and liabilities, herein being referred to as the “*Specified Obligations*”).

9. **Bankruptcy Filings.** Seller shall use commercially reasonable efforts to (i) file all pleadings with the Bankruptcy Court, including the Sale Motion, as are necessary or appropriate to allow

the Bankruptcy Court to rule on the Sale Motion in form and substance reasonably acceptable to Buyer and (ii) serve all parties known to Seller to be entitled to notice of such pleadings under applicable provisions of the Bankruptcy Code. Buyer shall promptly take all actions as are reasonably requested by Seller to assist Seller in obtaining the Bankruptcy Court's entry of the Sale Order.

10. **Indemnification.**

(a) Buyer shall be responsible for and indemnify, defend, release and hold harmless Seller and its Affiliates, and all of its and their respective partners, members, directors, officers, managers, employees, equity holders, agents and representatives (collectively, "***Seller Indemnified Parties***") from and against all claims caused by, arising out of or resulting from (i) the Assumed Obligations and (ii) Buyer's breach of any representation or warranty contained in Section 13 and any of its covenants or obligations under this Agreement. Buyer's indemnity obligations set forth in this Section 10(a) shall survive Closing of the transaction contemplated hereby in perpetuity. BUYER'S DEFENSE, INDEMNIFICATION, HOLD HARMLESS AND RELEASE OBLIGATIONS AND THE ASSUMPTION OF THE ASSUMED OBLIGATIONS PROVISIONS (IN EACH CASE) PROVIDED FOR IN THIS AGREEMENT SHALL BE APPLICABLE WHETHER OR NOT THE LIABILITIES, LOSSES, COSTS, EXPENSES AND DAMAGES IN QUESTION AROSE OR RESULTED SOLELY OR IN PART FROM THE GROSS, SOLE, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF LAW OF OR BY ANY SELLER INDEMNIFIED PARTY. BUYER AND SELLER ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS CONSPICUOUS.

(b) Seller shall be responsible for and indemnify, defend, release and hold harmless Seller and its Affiliates, and all of its and their respective partners, members, directors, officers, managers, employees, equity holders, agents and representatives (collectively, "***Buyer Indemnified Parties***") from and against all claims caused by, arising out of or resulting from (i) the Specified Obligations and (ii) Seller's breach of any representation or warranty contained in Section 12 and any of its covenants or obligations under this Agreement. Seller's indemnity obligations set forth in (A) Section 10(b)(i) shall survive until Seller's liquidation and (B) Section 10(b)(ii) shall survive until the earlier of September 30, 2019 and Seller's liquidation.

(c) NO SELLER INDEMNIFIED PARTY OR BUYER INDEMNIFIED PARTY SHALL BE ENTITLED TO RECOVER, AND EACH HEREBY WAIVES ANY RIGHT TO RECOVER, FROM THE OTHER, OR THEIR RESPECTIVE AFFILIATES, ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, REMOTE OR SPECULATIVE DAMAGES, OR DAMAGES FOR LOST PROFITS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, EXCEPT TO THE EXTENT ANY SUCH PARTY PAYS SUCH DAMAGES (INCLUDING COSTS OF DEFENSE AND REASONABLE ATTORNEY'S FEES INCURRED IN CONNECTION WITH DEFENDING OF SUCH DAMAGES) TO A THIRD PARTY, WHICH DAMAGES (INCLUDING COSTS OF DEFENSE AND REASONABLE

ATTORNEY'S FEES INCURRED IN CONNECTION WITH DEFENDING AGAINST SUCH DAMAGES) SHALL NOT BE EXCLUDED BY THIS PROVISION AS TO RECOVERY HEREUNDER.

11. **NORM, Wastes and Other Substances.** Buyer acknowledges that the Assets have been used for exploration, development and production of oil and gas and that there may be petroleum, produced water, wastes or other substances or materials located in, on or under the Assets or associated with the Assets. Equipment and sites included in the Assets may contain asbestos, naturally occurring radioactive material ("***NORM***") or other hazardous materials. ***NORM*** may affix or attach itself to the inside of Wells, materials, equipment and other personal property as scale, or in other forms. The Wells, materials, equipment and other personal property located on the Properties or included in the Assets may contain ***NORM*** and other wastes or hazardous materials. ***NORM*** containing material and/or other wastes or hazardous materials may have come in contact with various environmental media, including water, soils or sediment. Special procedures may be required for the assessment, remediation, removal, transportation or disposal of environmental media, wastes, asbestos, ***NORM*** and other hazardous materials from the Assets. Buyer agrees to accept the Assets "as is," "where is," and "with all faults," and Buyer agrees to assume all risks with respect to the Assets related to ***NORM***.

12. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer as of the Execution Date and as of the Closing that:

(a) Seller is duly organized and validly existing under the laws of the State of Delaware and is duly qualified to do business where the Assets are located.

(b) Subject to the entry of the Sale Order, (i) Seller has full power and authority to enter into and perform this Agreement and the other documents to be executed and delivered by Seller in connection herewith and the transactions contemplated herein and therein; (ii) the execution, delivery and performance by Seller of this Agreement have been duly and validly authorized and approved by all necessary action on the part of Seller; and (iii) this Agreement is, and the other documents to be executed and delivered by Seller in connection herewith when executed and delivered by Seller will be, the valid and binding obligations of Seller.

(c) Assuming the entry of the Sale Order, the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated herein will not (i) conflict with or result in a breach of any provisions of the organizational documents of Seller, (ii) result in a material default or give rise to any right of termination, cancellation or acceleration under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license or Contract, in each case, which constitutes an Asset, (iii) result in the creation of any lien or other encumbrance on any Asset or (iv) to Seller's Knowledge, violate any Law applicable to Seller or any of the Assets.

(d) To Seller's Knowledge, (i) all Contracts are in full force and effect and (ii) no party is in material default or breach of any such Contract.

(e) Except as set forth on Schedule 12(e), there are no preferential rights to purchase or consents to assignment (except in each case as specifically set forth on Schedule 12(e)) in respect of the Assets.

(f) To Seller's Knowledge, Seller's and its Affiliates' ownership and operation (to the extent Seller or any of its Affiliates is the operator of an Asset) of the Assets on or prior to the Closing Date, are in compliance in all material respects with all applicable Laws. Other than as it relates to Seller's chapter 11 case, Seller and its Affiliates have not received any written notice of a material violation of or material default by any of them or any of their Affiliates with respect to any Law or any decision, ruling, order or award of any Governmental Authority relating to the Oil and Gas Properties.

(g) To Seller's Knowledge, Seller has not elected not to participate in any operation or activity proposed with respect to the Assets which would reasonably be expected to result in any of Seller's interest in any Assets becoming subject to a reduction, penalty or forfeiture as a result of such election not to participate in such operation or activity.

(h) Seller has incurred no obligation, contingent or otherwise, for any broker's, finder's, or consultant's fees for which Buyer will be liable.

(i) Except for the Bankruptcy Case and any adversary proceeding or contested motions commenced or filed in connection therewith or stayed as a result of the filing thereof, there is no proceeding or order pending, outstanding, or to Seller's Knowledge, threatened in writing that (a) seeks to appeal, stay, restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby, the Sale Motion or the Sale Order, or (b) relates to the Assets.

13. **Buyer's Representations and Warranties.** Buyer represents and warrants to Seller as of the Execution Date and as of the Closing that:

(a) Buyer is duly qualified and has full right and authority to acquire and own the Assets, to receive an assignment of the Assets from Seller at Closing and to enter into this Agreement.

(b) Buyer has incurred no obligation, contingent or otherwise, for any broker's, finder's or consultant's fees for which Seller will be liable.

(c) There are no bankruptcy, reorganization or receivership proceedings pending, being contemplated by or, to Buyer's Knowledge, threatened against Buyer or any Affiliate of Buyer, and Buyer is not insolvent or generally not paying its debts when they become due.

(d) Buyer is an accredited investor, as such term is defined in Regulation D of the Securities Act of 1933, as amended, and will acquire the Assets for its own account and not with a view to a sale or distribution thereof in violation of the Securities Act of 1933, as amended, and the rules and regulations thereunder, any applicable state blue sky Laws or any other applicable securities Laws.

(e) Buyer is sophisticated in the evaluation, purchase, ownership and operation of oil and gas properties and related facilities. In making

its decision to enter into this Agreement and to consummate the transaction contemplated hereby and thereby, except to the extent of Seller's express representations and warranties in Section 12, Buyer has relied or shall rely on its own independent investigation and evaluation of the Assets, which investigation and evaluation was done by Buyer and its own legal, tax, economic, environmental, engineering, geological and geophysical advisors. In entering into this Agreement, Buyer acknowledges that it has relied solely upon the aforementioned investigation and evaluation and not on any factual representations or opinions of Seller or any representatives or consultants or advisors engaged by or otherwise purporting to represent Seller or any Affiliate of Seller (except the specific representations and warranties of Seller set forth in Section 12). Buyer hereby acknowledges that, other than the representations and warranties made in Section 12, neither Seller nor any representatives, consultants or advisors of Seller or its Affiliates make or have made any representation or warranty, express or implied, at Law or in equity, with respect to the Assets.

14. **Seller's Conditions to Close.** The obligations of Seller to consummate the transactions provided for herein is subject, at the option of Seller, to the fulfillment by Buyer or waiver by Seller, on or prior to Closing of each of the following conditions precedent:

(a) the representations and warranties of Buyer set forth in Section 13 shall be true and correct in all material respects (except with respect to the representations and warranties set forth in Section 13(b) or that are qualified by materiality, which in each case shall be true and correct in all respects) as of Closing as though made on and as of Closing;

(b) Buyer shall have materially performed or complied with all obligations, agreements, and covenants contained in this Agreement as to which performance or compliance by Buyer is required prior to or at Closing;

(c) Buyer shall have executed and delivered (or be ready, willing and able to deliver at Closing) to Seller the documents and other items, including the Preliminary Purchase Price, required to be delivered by Buyer under Section 16; and

(d) the Bankruptcy Court shall have entered the Sale Order.

15. **Buyer's Conditions to Close.** The obligations of Buyer to consummate the transactions provided for herein is subject, at the option of Buyer, to the fulfillment by Seller or waiver by Buyer, on or prior to Closing of each of the following conditions:

(a) the representations and warranties of Seller set forth in Section 12 shall be true and correct in all material respects (except with respect to the representations and warranties set forth in Section 12(h) or that are qualified by materiality, which in each case shall be true and correct in all respects) as of Closing as though made on and as of Closing;

(b) Seller shall have materially performed or complied with all obligations, agreements, and covenants contained in this Agreement as to which performance or compliance by Seller is required prior to or at Closing;

(c) Seller shall have executed and delivered (or be ready, willing and able to deliver at Closing) to Buyer the documents and other items required to be delivered by Seller under Section 16;

(d) As and to the extent set forth in the Sale Order, all liens, mortgages, security interests and deeds of trust burdening the Assets shall have been released at or before Closing; and

(e) the Bankruptcy Court shall have entered the Sale Order, and such Sale Order shall be in effect on the Closing Date and (i) shall not have been stayed, reversed, stayed pending appeal or vacated and (ii) shall not have been amended, supplemented or otherwise modified to Buyer's detriment without Buyer's consent (such consent not to be unreasonably withheld, conditioned or delayed).

16. **Closing.** The closing of the transaction contemplated by this Agreement ("***Closing***") shall occur on the date that is ten (10) Business Days following the issuance of the Sale Order (the "***Closing Date***") or such other date following the issuance of the Sale Order as Buyer and Seller may agree upon in writing. At Closing, (a) Buyer shall pay to Seller the Preliminary Purchase Price, less the Deposit, via wire transfer of immediately available funds, (b) Seller shall execute and deliver in sufficient counterparts an assignment, conveyance and bill of sale covering the Assets in the form attached hereto as Exhibit B (the "***Assignment***"), (c) the Parties shall take such further actions as may be reasonably necessary to evidence and effectuate the transaction contemplated by this Agreement, (d) Buyer shall obtain replacements for the bonds, letters of credit and guarantees necessary to terminate the obligations of Seller or its Affiliates with respect to the Assets and Buyer shall provide evidence of the posting of such bonds or other securities with all applicable Governmental Authorities meeting the requirements of such authorities, (e) Seller shall deliver an executed statement described in Treasury Regulation §1.1445-2(b)(2) certifying that Seller is neither a disregarded entity nor a foreign Person within the meaning of the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder (the "***Code***") and (f) Seller shall execute such change of operator forms and letters-in-lieu of transfer orders as reasonably requested by Buyer. Closing shall be held at the offices of Seller, or at such other location or through such other methods as may be mutually agreed upon by Seller and Buyer.

17. **Taxes.**

(a) All required documentary, filing and recording fees and expenses in connection with the filing and recording of the assignments (including the Assignment), conveyances or other instruments required to convey title to the Assets to Buyer shall be borne by Buyer. Buyer shall be responsible for, and shall bear and pay, all sales, use, transfer, stamp, registration and similar taxes (including any applicable interest or penalties) incurred or imposed with respect to the transactions described in this Agreement (the "***Transfer Taxes***"). Seller shall bear and pay, all ad valorem, property, excise, severance, production, sales, use and similar taxes (including any interest, fine, penalty or additions to tax imposed by a government authority in connection with such taxes) based upon operation or ownership of the Assets or production of Hydrocarbons or the receipt of proceeds therefrom (collectively, the "***Asset Taxes***") assessed with respect to the ownership and operation of the Assets for (i) any period ending prior to the Effective Time, and (ii) the portion of any tax period beginning before and ending after the Effective Time (a "***Straddle Period***") ending immediately prior to the Effective Time. All Asset Taxes arising on or after the Effective Time (including all Straddle

Period Asset Taxes not apportioned to Seller) shall be allocated to and borne by Buyer. To the extent the actual amount of any Asset Taxes described in this Section 17 is not known at the time an adjustment is to be made with respect to such Asset Tax pursuant to Section 5, Buyer and Seller shall utilize the most recent information available in estimating the amount of such Asset Taxes for purposes of such adjustment. Upon determination of the actual amount of Asset Taxes, payments will be made to the extent necessary to cause the appropriate Party to bear the Asset Taxes allocable to such Party under this Section 17. For purposes of allocation between the Parties of Asset Taxes: (A) Asset Taxes that are attributable to the severance or production of Hydrocarbons or otherwise imposed on a transactional basis (other than Asset Taxes described in (B) below) shall be allocated to the period in which the severance, production or other transaction giving rise to such Asset Taxes occurred; and (B) Asset Taxes that are ad valorem, property or other Asset Taxes imposed on a periodic basis with respect to a Straddle Period shall be allocated pro rata per day between the portion of such Straddle Period ending immediately prior to the Effective Time (which shall be Seller's responsibility) and the portion of the Straddle Period beginning at the Effective Time (which shall be Buyer's responsibility). For purposes of clause (A) of the preceding sentence, any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated pro rata per day between the period ending immediately prior to the Effective Time and the period beginning on the Effective Time.

(b) Other than with respect to tax periods ending prior to the Effective Time, Buyer shall be responsible for filing with the appropriate Governmental Authorities all returns (including information returns), reports, statements, schedules, notices, forms, elections, estimated tax filings, claims for refund or other documents filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority with respect to any tax ("***Tax Returns***") for Asset Taxes that are required to be filed after Closing and paying the taxes reflected on such Tax Returns as due and owing, subject to Buyer's right of reimbursement for any Asset Taxes for which Seller is responsible under Section 17(a). Buyer shall prepare all such Tax Returns relating to any Straddle Period on a basis consistent with past practice except to the extent otherwise required by applicable Law. Buyer shall provide Seller with a copy of any Tax Return relating to any Straddle Period for Seller's review at least ten (10) days prior to the due date for the filing of such Tax Return (or within a commercially reasonable period after the end of the relevant taxable period, if such Tax Return is required to be filed less than ten (10) days after the close of such taxable period), and Buyer shall incorporate all reasonable comments of Seller provided to Buyer in advance of the due date for the filing of such Tax Return.

(c) The Parties shall cooperate fully, as and to the extent reasonably in connection with the filing of any Tax Returns, state and federal regulatory reports, royalty payments including related deduction and any audit, litigation or other proceeding with respect to these matters for the Assets.

(d) Seller shall be entitled to any and all refunds of Asset Taxes allocated to Seller pursuant to Section 17(a), and Buyer shall be entitled to any and all refunds of Asset Taxes allocated to Buyer pursuant to Section 17(a). If a Party receives a refund of Asset Taxes to which the other Party is entitled

pursuant to this Section 17(d), the first Party shall promptly pay such amount to the other Party, net of any reasonable costs or expenses incurred by the first Party in procuring such refund.

18. **Operation of the Business.** Except as to (i) requirements from any Governmental Authority, including the Bankruptcy Court, (ii) situations wherein emergency action is taken in the face of risk to life, property, the environment and/or Lease termination or (iii) any matters otherwise consented to in writing by Buyer, which consent shall be in Buyer's sole discretion, from the Execution Date until the Closing Date, Seller: (a) will conduct its business related to the Assets (including the sale of Hydrocarbons) in the ordinary course consistent with Seller's past practices; (b) will not propose or agree in writing to any new operation reasonably anticipated by Seller to require future capital expenditures by the owner of the Assets in excess of Twenty Thousand Dollars (\$20,000); (c) will keep Buyer apprised of any material field operations (including any drilling, completing, re-completing operations) proposed or conducted by Seller with respect to the Assets; (d) will not terminate or materially amend, violate or take action or inaction that results in a material breach or default under, any Contract or Lease; (e) will not execute any material agreement relating to the Assets; (f) will maintain insurance coverage on the Assets in the amounts and coverages and of the types in force as of the Execution Date; (g) will use commercially reasonable efforts to maintain in full force and effect all Leases that are presently held by production in paying quantities; (h) will notify Buyer if any Lease terminates or is being threatened to be terminated, promptly upon learning of such termination or threat; (i) will maintain all material permits, approvals, bonds and guaranties affecting the Assets, and make all filings that Seller is required to make under applicable Law with respect to the Assets; (j) will not transfer, sell, hypothecate, encumber or otherwise dispose of any Assets except for sales and dispositions of Hydrocarbons in the ordinary course of business consistent with past practices; (k) will not waive, compromise or settle any material right or claim with respect to any of the Properties; (l) will not otherwise incur liabilities or obligations with respect to the Assets for which Buyer would be responsible after Closing; (m) will comply in all material respects with all applicable Laws; and (n) will not enter into an agreement to take any actions prohibited by any of the foregoing.

19. **Termination.**

- (a) Subject to Section 19(b), this Agreement may be terminated at any time prior to the consummation of the Closing upon the occurrence of any one or more of the following:
 - (i) by mutual written agreement of Seller and Buyer;
 - (ii) by Seller or Buyer if the other Party has materially breached this Agreement and such breach causes any of the conditions to closing of the non-breaching Party set forth in Sections 14 and 15, respectively, not to be satisfied as of Closing; *provided, however*, that in the case of a breach that is capable of being cured, the breaching Party shall have until the later of (A) ten (10) days following notice of breach to attempt to cure the breach and (B) one (1) business day prior to the Outside Date;
 - (iii) by Buyer if the Bankruptcy Court shall fail to enter the Sale Order on or prior to September 30, 2019 (the "Outside Date"); or
 - (iv) by Buyer immediately upon an order of the Bankruptcy Court becoming final and non-appealable that declares this Agreement invalid or unenforceable in any material respect or that prevents the consummation of the transactions contemplated by this Agreement;

provided, further, however, that neither Party shall have the right to terminate this Agreement pursuant to clause (ii) or (iii) if such Party is at such time in material breach of any provision of this Agreement.

(b) Remedies.

(i) If Seller has the right to terminate this Agreement pursuant to Section 19(a)(ii) in a situation where the conditions to closing set forth in Section 15 have been satisfied or waived in writing by Buyer (excluding conditions that by their terms, cannot be satisfied until the Closing), and Seller has performed or is ready, willing and able to perform all of its agreements and covenants contained herein which are to be performed or observed at or prior to the Closing, then Seller shall, as its sole and exclusive remedy, be entitled to terminate this Agreement and retain the Deposit as liquidated damages. The Parties recognize that actual damages for Buyer's breach would be difficult to ascertain with reasonable certainty and that the Deposit would be reasonable liquidated damages for such breach.

(ii) If this Agreement terminates for any reason other than as set forth in Section 19(b)(i), then (A) the Parties shall have no liability or obligation hereunder as a result of such termination, (B) within three (3) Business Days of the date this Agreement is terminated, Seller shall return the Deposit to Buyer free and clear of any claims thereon by Seller, and (C) Seller shall be free immediately to 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.

(C) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EACH PARTY'S RIGHTS CONTAINED IN THIS SECTION 19 CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY FOR THE OCCURRENCE OF THE EVENTS DESCRIBED IN THIS SECTION 19, AND BOTH PARTIES HEREBY EXPRESSLY WAIVE ANY AND ALL OTHER RIGHTS OR REMEDIES WITH RESPECT THERETO; *PROVIDED, HOWEVER*, THAT, NOTHING HEREIN SHALL BE DEEMED A WAIVER OF EITHER PARTY'S RIGHT TO SEEK INJUNCTIVE RELIEF OR TO COMPEL SPECIFIC PERFORMANCE OF ANY COVENANT OR OBLIGATION OF THE OTHER PARTY.

20. **Miscellaneous.** The Parties further agree as follows:

(a) **Condemnation; Casualty Loss.** Notwithstanding anything herein to the contrary, from and after the execution of this Agreement, if Closing occurs, Buyer shall assume all risk of loss with respect to the depreciation of Assets due to ordinary wear and tear. If, after the Execution Date but prior to or on the Closing Date, any portion of the Assets is destroyed by fire, explosion, hurricane, storm, weather events, earthquake, act of nature, civil unrest, or similar disorder, terrorist acts, war or any other hostilities or other casualty or is expropriated or taken in condemnation or under right of eminent domain by any Governmental Authority, whether or not fixed or repaired or in any way remediated (each a "***Casualty Loss***"), Buyer and Seller shall nevertheless be required to proceed with Closing.

To the extent Seller is entitled to recovery under any insurance policy on account of any Casualty Loss, Seller shall pay to Buyer the net amounts recovered under such policy (less any costs incurred by Seller to recover such amounts), if any.

- (b) Notices. All communications required or permitted under this Agreement shall be in writing and any communication or delivery hereunder shall be deemed to have been fully made if actually delivered, if mailed by registered or certified mail, postage prepaid, delivered by recognized overnight courier service, to the address as set forth below:

To Seller: Weatherly Oil & Gas, LLC
777 Taylor Street, Suite 902
Fort Worth, Texas 76102
Attention: Dan Johnson
Email: Dan.Johnson@ankura.com

with a copy to (which shall not constitute notice): Jackson Walker L.L.P.
Attention: S. Jordan Smith
2323 Ross Ave., Suite 600
Dallas, Texas 75201
Phone: (214) 953-5984
Email: sjsmith@jw.com

To Buyer: Aethon United BR LP
Attention: Preston Phillips
12377 Merit Drive, Suite 1200
Dallas, Texas 75251
Email: pPhillips@aethonenergy.com

- (c) Assignment. Neither Party shall assign its rights or obligations under this Agreement without the prior written consent of the other Party, which consent may be withheld for any reason in the sole discretion of the non-assigning Party; provided, however, Buyer may assign any or all of its rights and obligations hereunder to any one or more of its Affiliates, provided that such assignment shall not relieve Buyer of any of its obligations hereunder.

- (d) Governing Law; Venue; Waiver of Jury Trial.

(i) EXCEPT TO THE EXTENT THE MANDATORY PROVISIONS OF THE BANKRUPTCY CODE APPLY, THIS AGREEMENT AND THE LEGAL RELATIONS BETWEEN SELLER AND BUYER SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT WOULD REQUIRE THE APPLICATION OF ANY OTHER LAW.

(ii) WITHOUT LIMITATION OF ANY PARTY'S RIGHT TO APPEAL ANY ORDER OF THE BANKRUPTCY COURT, (I) THE BANKRUPTCY COURT SHALL RETAIN EXCLUSIVE JURISDICTION TO ENFORCE THE TERMS OF THIS AGREEMENT AND TO DECIDE ANY CLAIMS OR DISPUTES WHICH MAY ARISE OR RESULT FROM, OR BE CONNECTED WITH, THIS AGREEMENT, ANY BREACH OR DEFAULT HEREUNDER, OR THE TRANSACTIONS CONTEMPLATED HEREBY AND (II) ANY AND ALL CLAIMS RELATING TO THE FOREGOING SHALL BE FILED AND MAINTAINED ONLY IN THE BANKRUPTCY COURT,

AND THE PARTIES HEREBY CONSENT AND SUBMIT TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE BANKRUPTCY COURT AND IRREVOCABLY WAIVE THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING; PROVIDED, HOWEVER, THAT, IF THE BANKRUPTCY CASE IS CLOSED, ALL ACTIONS AND PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE HEARD AND DETERMINED IN A TEXAS STATE COURT OR A FEDERAL COURT SITTING IN THE STATE OF TEXAS, AND THE PARTIES HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS IN ANY SUCH ACTION OR PROCEEDING AND IRREVOCABLY WAIVE THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING. THE PARTIES CONSENT TO SERVICE OF PROCESS BY MAIL OR ANY OTHER MANNER PERMITTED BY LAW.

(iii) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLER, BUYER OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

- (e) Wavier of Right to Recession. The Parties acknowledge that, following the Closing, the payment of money, as limited by the terms of this Agreement, shall be adequate compensation for breach of any representation, warranty, covenant or agreement contained herein or for any other claim arising in connection with or with respect to the transactions contemplated by this Agreement. As the payment of money shall be adequate compensation, following the Closing, the Parties waive any right to rescind this Agreement or any of the transactions contemplated hereby.
- (f) Parties in Interest. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, express or implied, is intended to confer on any Person other than Seller and Buyer and their respective successors and permitted assigns, or the Parties' respective Indemnified Parties hereunder, any rights, remedies, obligations or liabilities under or by reason of this Agreement; provided that only a Party and its respective successors and permitted assigns will have the right to enforce the provisions of this Agreement on its own behalf or on behalf of any of its related Indemnified Parties (but shall not be obligated to do so).
- (g) Amendment. This Agreement may be amended only by written instrument executed by both Parties.
- (h) Counterparts; Treatment as Original. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together shall constitute the same agreement, and any signature hereto delivered by a Party by facsimile or other electronic transmission (e.g., email) shall be deemed an original signature hereto for all purposes.

* * * * *

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, this Agreement has been signed by each Party as of the Execution Date.

SELLER:

Weatherly Oil & Gas, LLC

By: _____
Dan W. Johnson, Chief Executive Officer

BUYER:

Aethon United BR LP

By: Aethon United BR GP LLC,
its general partner

By: _____
Name: _____
Title: _____

PEO Haynesville Holdco, LLC

By: _____
Name: _____
Title: _____

APPENDIX I

Certain Defined Terms

“Affiliate” shall mean any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, another Person. The term “control” and its derivatives with respect to any Person, when used in the context of this definition, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. For the avoidance of doubt, any lender of Seller shall not be considered an Affiliate of Seller.

“Bankruptcy Code” shall mean Title 11 of the United States Code, Sections 101 *et seq.*

“Business Day” shall mean a day (other than a Saturday or Sunday) on which commercial banks in Houston, Texas are generally open for business.

“Environmental Laws” shall mean any applicable Law relating to the protection of the environment.

“Environmental Obligations” means responsibility and liability for any of the following occurrences, events, conditions, and activities on, related to, or attributable to the condition of the Assets: (a) environmental pollution or contamination, including pollution or contamination of the soil, groundwater, or air by Hydrocarbons, drilling fluid and other chemicals, brine, produced water, NORM, asbestos containing materials, lead based paint, mercury, or any other substance; (b) underground injection activities and waste disposal; (c) clean-up responses, and the cost of remediation, control, assessment, or compliance with respect to surface and subsurface pollution caused by spills, pits, ponds, lagoons, or storage tanks; (d) failure of the Assets to comply with applicable land use, surface disturbance, licensing, or notification requirements or surface use agreements; (e) disposal on the Properties of any hazardous substances, wastes, materials, and products generated by or used in connection with the ownership, development, operation, or abandonment of any part of the Assets; and (f) any non-compliance with any Environmental Law.

“Governmental Authority” shall mean any federal, state, local, municipal, tribal or other government; any governmental, regulatory, arbitration or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, arbitration, regulatory or taxing authority or power, and any court, arbitral or governmental tribunal, including any tribal authority having or asserting jurisdiction, including the Bankruptcy Court.

“Hydrocarbons” shall mean oil, condensate, gas, casinghead gas and other liquid or gaseous hydrocarbons.

“Knowledge” shall mean, with respect either Party, the knowledge of the officers of such Party after reasonable inquiry of personnel who would reasonably be expected to have actual knowledge of the fact, circumstance or condition in question.

“Law” shall mean any applicable statute, law (including common law), rule, regulation, ordinance, order, code, ruling, writ, injunction, decree or other official act of or by any Governmental Authority.

“Person” shall mean any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Authority or any other entity.

“Plugging and Abandonment Obligations” means all decommissioning activities, obligations, costs and expenses with respect to the Assets as are required by Laws, any Contract, any Lease, this Agreement or any Governmental Authority and further including all well plugging, replugging and abandonment; facility dismantlement and removal of all abandoned Assets, junk and other personal property located on or comprising any part of the Assets; pipeline and flowline dismantlement and removal; dismantlement and removal of other property of any kind related to or associated with operations or activities conducted on the Properties; and site clearance, site restoration and site remediation and other activities associated therewith.

“Property Costs” shall mean all operating and production expenses (including costs of insurance, any bonds and other guarantees; rentals, shut-in payments and applicable burdens; title examination and curative actions; and gathering, processing and transportation costs) and all capital expenditures arising out of the ownership and operation of the Assets and any overhead costs charged by third party operators to the extent relating to the Assets, but excluding liabilities attributable to any Specified Obligations.

“Records” shall mean, excluding the Excluded Records, all of Seller’s and its Affiliates’ files, records and data (including electronic data) related to the Assets, including but not limited to: (i) lease files, land files, facility and well files, division order files, abstracts, title files (including title opinions and title curative documents), (ii) Contract files, (iii) correspondence, (iv) operations, environmental, health and safety, and pipeline safety records, (v) engineering and/or production files, (vi) maps, and (vii) Tax and accounting records, in each case, to the extent related to the ownership or operation of the Assets and in the possession of Seller or an Affiliate of Seller.

“Sale Motion” shall mean the motion or motions filed by Seller pursuant to, *inter alia*, sections 105, 363, and 365 of the Bankruptcy Code, as applicable, seeking entry of the Sale Order and approval of the transactions contemplated by this Agreement.

“Sale Order” shall mean the order of the Bankruptcy Court approving this Agreement and all of the terms and conditions hereof and approving and authorizing Seller to consummate the transactions contemplated hereby pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, as applicable.

[END OF APPENDIX I]

Exhibit A – Leases

**Attached to and made part of that certain Purchase and Sale Agreement by and between
Weatherly Oil & Gas, LLC, as Seller, and Aethon United BR LP and PEO Haynesville Holdco, LLC, as Buyers**

Lease Number	Lessor	Lessee	Lease Date	Instrument No.	Book	Page	Parish	State
LA9260153-001	A C, SKANNAL JR ET AL	UNION PRODUCING COMPANY	7/19/1938	30381	139	349	Bossier	LA
LA9260152-001	A J MURFF, ET AL	UNITED GAS PUBLIC SERVICE CO	8/10/1933	14512	109	301	Bossier	LA
LA9260194-003	AARON JEETER AND ED WEBB	H L SKANNAL	12/14/1921	33288	57	355	Bossier	LA
LA9260129-011	ALBERT S. LEMONS	SLIGO HOLDINGS LLC	10/14/2002	759700	1269		Bossier	LA
LA9260129-026	ALFRED C. GLASSELL, JR.	SLIGO HOLDINGS LLC	6/19/2002	752689	1262		Bossier	LA
LA9260101-000	ALLEN/WILLIAMS CHILDREN TR	SLIGO HOLDINGS LLC	12/15/2001	751456	1262		Bossier	LA
LA9260003-009	ALTON LEON PICKARD	SLIGO HOLDINGS, LLC	4/27/2002	751318	1262		Bossier	LA
LA9260003-005	ANDREW B LAWRENCE JR	SLIGO HOLDINGS LLC	7/15/2002	751827	1263		Bossier	LA
LA9260129-042	ANNA BELLE ROBINSON WAINWRIGHT	SLIGO HOLDINGS LLC	2/26/2002	751469	1262		Bossier	LA
LA9260002-002	ATKINS LTD LLC, EDWARD J CRAWF	SLIGO HOLDINGS LLC	5/2/2002	751440	1262		Bossier	LA
LA9260002-003	ATKINS MINERALS L C	SLIGO HOLDINGS LLC	4/17/2002	751441	1262		Bossier	LA
LA9260119-000	AUDREY MURFF SHEPPARD	UNION PRODUCING COMPANY	9/19/1938	751350	1262		Bossier	LA
LA9260155-003	AUDREY MURFF SHEPPARD, ET AL	UNION PRODUCING COMPANY	9/19/1938	30292	139	306	Bossier	LA
LA9260003-006	BARBARA ANN LAWRENCE MCKENZIE	SLIGO HOLDINGS LLC	7/10/2002	751462	1262		Bossier	LA
LA9260129-027	BESS J. NOWERY	SLIGO HOLDINGS LLC	2/27/2002	751476	1262		Bossier	LA
LA9260003-004	BOBBYE LOU LAWRENCE PETTIT	SLIGO HOLDINGS LLC	7/15/2002	752685	1264		Bossier	LA
LA9260129-012	CARL L. LEMONS	SLIGO HOLDINGS LLC	10/14/2002	759701	1269		Bossier	LA
LA9260129-007	CAROL FLEMING MARKS	SLIGO HOLDINGS LLC	4/4/2002	751484	1262		Bossier	LA
LA9260001-002	CAROLYN JEAN CALO	SLIGO HOLDINGS LLC	12/15/2001	751460	1262		Bossier	LA
LA9260001-009	CASANDRA ANN CALO	SLIGO HOLDINGS LLC	12/15/2001	751421	1262		Bossier	LA
LA9260129-021	CHARLES R. SCHNEIDER	SLIGO HOLDINGS LLC	6/25/2002	751467	1262		Bossier	LA
LA9260333-000	CHESAPEAKE ROYALTY, L.L.C.	CHESAPEAKE LOUISIANA L P	7/26/2008	937593	1458		Bossier	LA
LA9260337-000	CHESAPEAKE ROYALTY, L.L.C.	CHESAPEAKE LOUISIANA L P	7/26/2008	937592	1458		Bossier	LA
LA9260338-000	CHESAPEAKE ROYALTY, L.L.C.	CHESAPEAKE LOUISIANA L P	7/26/2008	937591	1458		Bossier	LA
LA9260001-011	CHRISTINE HALL MEAD	SLIGO HOLDINGS LLC	4/15/2002	751323	1262		Bossier	LA
LA9260129-008	CLYDE FRANK & PAULA J VANCLEVE	SLIGO HOLDINGS LLC	4/2/2002	751482	1262		Bossier	LA
LA9260128-000	CONTINENTAL SECURITIES, ET AL	PRODUCERS OIL & GAS COMPANY IN	11/3/1934		117	266	Bossier	LA
LA9260158-003	CRAWFORD COLVIN JINKS MGMT TRU	PEPCO	9/22/1993	569001	1046	140	Bossier	LA

LA9260003-021	D. DODDFORD HAWLEY	SLIGO HOLDINGS, LLC	6/7/2002	751417	1262		Bossier	LA
LA9260003-001	DAVID W LAWRENCE	SLIGO HOLDINGS LLC	7/10/2002	752684	1264		Bossier	LA
LA9260129-016	DONALD KEITH HUDDLESTON	SLIGO HOLDINGS LLC	7/12/2002	752690	1262		Bossier	LA
LA9260129-039	DONN G THOMPSON	DEVON ENERGY PRODUCTION COMPANY	4/11/2001	723225	1234	196	Bossier	LA
LA9260158-008	DOROTHY COLVIN JORDAN	PEPCO	9/22/1993	569000	1046	136	Bossier	LA
LA9260176-000	E A SCHULER	RW WILLIAMS	7/20/1927	48814	84	400	Bossier	LA
LA9260158-002	ELEANOR H VALLHONRAT, ET AL	PEPCO	9/24/1993	569002	1046	144	Bossier	LA
LA9260051-002	EMANUAL CHATMAN, ET AL	A C SKANNAL	8/15/1933	14908	109	378	Bossier	LA
LA9260001-007	EMANUEL V BENJAMEN III	SLIGO HOLDINGS LLC	12/15/2001	751457	1262		Bossier	LA
LA9260001-008	EMOGENE C ATWATER F/B/O	SLIGO HOLDINGS LLC	12/15/2001	751419	1262		Bossier	LA
LA9260129-038	EVORENE MORGAN NOWERY	DEVON ENERGY PRODUCTION COMPANY	4/27/2001	723226	1234	198	Bossier	LA
LA9260188-003	FELTON WAYNE SUMNER	PZL PRODUCING CO	4/15/1978	313509	608	408	Bossier	LA
LA9260201-001	FLAME ROYALTIES, INC.	SLIGO HOLDINGS, L.L.C.	5/1/2002	751439	1262		Bossier	LA
LA9260187-000	FORD E. STINSON	UNION PRODUCING COMPANY	12/28/1956	113940	281	107	Bossier	LA
LA9260179-000	FRANK B. TREAT, ET AL	TRIANGLE DRILLING CO, INC	8/18/1930	8600	101	208	Bossier	LA
LA9260001-012	FRANK J HALL JR	SLIGO HOLDINGS LLC	4/15/2002	751322	1262		Bossier	LA
LA9260129-019	FREDERICA H. MAYER GRANTOR TRU	SLIGO HOLDINGS LLC	5/6/2002	751468	1262		Bossier	LA
LA9260174-004	G W SMITH	MAGNOLIA PETROLEUM COMPANY	3/22/1927	47888	84	303	Bossier	LA
LA0000069-001	GAYLE K HAMILTON ET UX	HAROLD H HOLLENSHEAD	6/20/2002	751416	1262		Bossier	LA
LA9260129-033	GAYLE LUAN THOMPSON	SLIGO HOLDINGS LLC	3/1/2002	751487	1262		Bossier	LA
LA9260105-000	GIBBS COMPANY LLC	SLIGO HOLDINGS LLC	3/18/2002	751142	1262		Bossier	LA
LA9260185-000	H G FREEDMAN	UNITED GAS PUBLIC SERVICE CO	1/18/1936	20605	120	405	Bossier	LA
LA9260186-003	H G FREEDMAN ET AL	UNION PRODUCING COMPANY	11/27/1956	113323	281	29	Bossier	LA
LA9260186-004	H G FREEDMAN ET AL	UNION PRODUCING COMPANY	11/25/1941	38187	152	100	Bossier	LA
LA9260186-005	H G FREEDMAN ET AL	UNION PRODUCING COMPANY	11/25/1941	38188	152	110	Bossier	LA
LA9260190-001	H G FREEDMAN ET AL	UNION PRODUCING COMPANY	11/25/1941	38186	152	91	Bossier	LA
LA9260191-002	H L SKANNAL	W H HODGES, JR	1/1/1922	48294	84	349	Bossier	LA
LA9260175-000	H L, SKANNAL, ET AL	UNITED GAS PUBLIC SERVICE CO	4/3/1935	18099	115	94	Bossier	LA
LA9260195-000	H L, SKANNAL, ET AL	UNION PRODUCING COMPANY	7/23/1943	52816	158	512	Bossier	LA
LA9260180-000	H. L. SKANNAL, ET AL	TRIANGLE DRILLING CO, INC	8/27/1934	16721	110	475	Bossier	LA
LA9260129-030	HARRIET PUCKETT PAYTON	DEVON ENERGY PRODUCTION COMPANY	4/11/2001	723228	1234		Bossier	LA
LA9260186-001	HENRY L SKANNAL	UNION PRODUCING COMPANY	8/14/1946	52681	172	243	Bossier	LA
LA9260001-013	HOWARD H KARR F/B/O	SLIGO HOLDINGS	12/15/2001	751458	1262		Bossier	LA

LA0000070-001	J G MCDADE, ET AL	MRS HUEY P LONG, ET AL	12/14/1938	31825	143	97	Bossier	LA
LA9260183-002	J S PATE, ET AL	WOODLEY PETROLEUM CO	6/1/1985	8523	101	182	Bossier	LA
LA9260129-009	JACK V. THOMPSON	SLIGO HOLDINGS LLC	3/7/2002	751481	1261		Bossier	LA
LA9260129-028	JAMES B. NOWERY	SLIGO HOLDINGS LLC	2/27/2002	751475	1262		Bossier	LA
LA9260158-007	JAMES LUDWIG COLVIN	PEPCO	9/21/1993	568998	1046	128	Bossier	LA
LA9260003-020	JAQUELINE M PRINGLE, REP BY	SLIGO HOLDINGS LLC	4/27/2002	751445	1262		Bossier	LA
LA9260158-006	JEANI M. MAGEE, ET AL	PEPCO	10/7/1993	569009	1046	174	Bossier	LA
LA9360002-000	JOE & ELSIE BRUNSON BUTLER	ASHLEY ANN ENERGY, LLC	5/23/2008	929910	1442		Bossier	LA
LA9260129-005	JOHN F. WEMPLE	SLIGO HOLDINGS LLC	3/19/2002	751490	1262		Bossier	LA
LA9260188-001	JOHN LEWIS SUMNER	PZL PRODUCING CO	4/14/1978	313507	608	400	Bossier	LA
LA9260158-005	JOHN MCRAE COLVIN JR	PEPCO	9/27/1993	568999	1046	132	Bossier	LA
LA9260158-004	JOHN P HOFFMAN, ET AL	PEPCO	9/21/1993	569003	1046	149	Bossier	LA
LA9260003-017	JOHN PICKETT ROGERS III	SLIGO HOLDINGS LLC	4/27/2002	751435	1262		Bossier	LA
LA9260129-017	JOHN STEWART SLACK, III	SLIGO HOLDINGS LLC	7/16/2002	752688	1262		Bossier	LA
LA9260188-005	JOHNNIE SUMNER LEWIS	PZL PRODUCING CO	4/15/1978	313511	608	416	Bossier	LA
LA9260001-003	JOSEPH JAMES CALO	SLIGO HOLDINGS LLC	12/15/2001	751422	1262		Bossier	LA
LA9260129-004	JOYCE ANDRUS WAINWRIGHT	SLIGO HOLDINGS LLC	3/19/2002	751473	1262		Bossier	LA
LA9260129-001	KAREN SUE MILLER	SLIGO HOLDINGS LLC	3/4/2002	751483	1262		Bossier	LA
LA9260001-005	KATHARINE P HAYNE LABOUISSSE TR	SLIGO HOLDINGS LLC	6/6/2002	751447	1262		Bossier	LA
LA9260001-010	KATHERINE HALL CHERRY	SLIGO HOLDINGS LLC	4/15/2002	751320	1262		Bossier	LA
LA9260003-007	KATHRYN LAWRENCE BECKHAM	SLIGO HOLDINGS LLC	6/10/2002	751452	1262		Bossier	LA
LA9260129-029	LAL E. ECHTEROFF	SLIGO HOLDINGS LLC	7/17/2002	752691	1262		Bossier	LA
LA9260182-000	LENA JACKSON SCHNITT, ET AL	UNITED GAS PUBLIC SERVICE CO	4/8/1937	25912	131	158	Bossier	LA
LA9260129-034	LESCA LEE GRANT	SLIGO HOLDINGS LLC	2/28/2002	754299	1265		Bossier	LA
LA9260129-031	LLOYD MILLER FREY	DEVON ENERGY PRODUCTION COMPANY	5/15/2001	723230	1234	206	Bossier	LA
LA9260129-003	LOUISE BENOIT & CONWAY HARRIS	SLIGO HOLDINGS LLC	3/7/2002	751489	1262		Bossier	LA
LA9260129-032	LOUISE C WATTS	DEVON ENERGY PRODUCTION COMPANY	5/23/2001	723229	1234	206	Bossier	LA
LA9260129-041	LUCY WAINWRIGHT COLQUITT	SLIGO HOLDINGS LLC	3/14/2002	751474	1262		Bossier	LA
LA9260129-006	LYDIA WEMPLE MARANTO	SLIGO HOLDINGS LLC	3/8/2002	751491	1262		Bossier	LA
LA9260001-014	LYNN HALL LASITER	SLIGO HOLDINGS LLC	4/15/2002	751321	1262		Bossier	LA
LA9260001-001	MARILYN JEAN CALO	SLIGO HOLDINGS LLC	12/15/2001	751420	1262		Bossier	LA
LA9260003-008	MARJORY GREY LAWRENCE, ET AL	SLIGO HOLDINGS, LLC	6/10/2002	751443	1262		Bossier	LA
LA9260104-001	MARK MONTGOMERY, LLC	PETRO LAND SERVICES, INC	2/22/2002	742069	1252	799	Bossier	LA

LA9260129-037	MARTHA WAINWRIGHT SHAW	PEPCO	4/15/1998	654305	1155	143	Bossier	LA
LA9260158-001	MARTIN TIMBER COMPANY LLC	CLARK ENERGY COMPANY INC	9/21/1993	568995	1046	119	Bossier	LA
LA9260159-002	MARY ANNE SHEPHERD SIMPSON QUA	DEVON ENERGY PRODUCTION COMPANY	5/12/2000	702731	1212		Bossier	LA
LA9260155-002	MARY C THIGPEN, ET AL	UNITED GAS PUBLIC SERVICE CO	3/13/1935	18020	115	69	Bossier	LA
LA9260158-009	MARY COLVIN DAVIS	PEPCO	9/22/1993	569005	1046	155	Bossier	LA
LA9260104-000	MARY EDNA ELLEDGE	SLIGO HOLDINGS LLC	5/22/2002	731463	1262		Bossier	LA
LA9260129-015	MARY L WILSON, RUTH DAVIS	SLIGO HOLDINGS LLC	5/1/2002	751480	1262		Bossier	LA
LA9260003-003	MARY LOUISE LAWRENCE BURNEY	SLIGO HOLDINGS LLC	6/10/2002	751451	1262		Bossier	LA
LA0000070-003	MATTIE PORTER, ET AL	JACK BARTLETT JR	7/19/1935	18778	117	567	Bossier	LA
LA9260184-003	MAYFLOWER COLORED BAPT CHURCH	UNION PRODUCING COMPANY	1/10/1948	60202	186	350	Bossier	LA
LA9260332-000	MC MINERAL COMPANY LLC	CHESAPEAKE LOUISIANA L P	2/20/2009	959745	1507		Bossier	LA
LA9260174-001	MCDADE, LOYE, ET AL	UNITED GAS PUBLIC SERVICE CO	10/16/1933	14758	109	365	Bossier	LA
LA9260129-002	MELVIN F. JOHNSON	SLIGO HOLDINGS LLC	3/27/2002	751488	1262		Bossier	LA
LA9260003-013	MERCER C ROGERS	SLIGO HOLDINGS LLC	4/27/2002	751432	1262		Bossier	LA
LA9260154-001	MERCER CANFIELD MURFF	UNION PRODUCING COMPANY	9/25/1938	30427	139	369	Bossier	LA
LA9260102-000	MIRTHA G DUNN TEST. TR	SLIGO HOLDINGS LLC	6/12/2002	751453	1262		Bossier	LA
LA9260197-002	MOFFITT, L M, ET AL	UNITED GAS PUBLIC SERVICE CO	12/30/1936	25972	131	183	Bossier	LA
LA9260003-002	NAN WILLIS LAWRENCE COWICK	SLIGO HOLDINGS LLC	6/10/2002	751454	1262		Bossier	LA
LA9260001-006	NATHAN GOLDSTEIN M D	SLIGO HOLDINGS LLC	6/25/2002	751459	1262		Bossier	LA
LA9260002-004	NATHANIEL P PHILLIPS JR	SLIGO HOLDINGS LLC	6/3/2002	751423	1262		Bossier	LA
LA9260188-002	NORMA SUMNER WHITE	PZL PRODUCING CO	4/14/1978	313508	608	404	Bossier	LA
LA9260126-000	OAKLAND CEMETERY BY R WILSON	FRANK J HALL, ET AL	11/13/1946		179	575	Bossier	LA
LA9260186-002	OHIO OIL COMPANY	UNION PRODUCING COMPANY	8/2/1946	53358	172	395	Bossier	LA
LA9260001-004	PAMELA RUST LONG TRUST	SLIGO HOLDINGS LLC	6/6/2002	751449	1262		Bossier	LA
LA9260003-011	PATRICIA A P WADE COUSINO	SLIGO HOLDINGS LLC	4/27/2002	752687	1264		Bossier	LA
LA9260158-010	PATTY COLVIN HALL, ET AL	PEPCO	9/22/1993	569011	1046	183	Bossier	LA
LA9260003-016	PAUL CARTER ROGERS	SLIGO HOLDINGS LLC	4/27/2002	751461	1262		Bossier	LA
LA9260003-010	PAULA LYNN PICKARD	SLIGO HOLDINGS LLC	4/27/2002	751446	1262		Bossier	LA
LA9260103-000	PHILLIP C GEE	SLIGO HOLDINGS LLC	7/17/2002	752686			Bossier	LA
LA0000070-002	R J O'BRIEN	D B MCCONNELL	5/4/1939	31826	143	103	Bossier	LA
LA9260198-000	R V KERR, ET AL	UNITED GAS PUBLIC SERVICE CO	3/13/1935	18083	115	86	Bossier	LA
LA9260197-001	R V KERR, ET AL	UNITED GAS PUBLIC SERVICE CO	3/13/1935	17956	115	60	Bossier	LA
LA9260197-003	R V KERR, ET AL	UNION PRODUCING COMPANY	2/15/1940	33683	143	616	Bossier	LA

LA9260194-002	RACHEL WEBB, ET AL	UNITED GAS PUBLIC SERVICE CO	10/24/1940	24939	126	459	Bossier	LA
LA9260129-024	ROBERT JEFFERIES VOSS	SLIGO HOLDINGS LLC	4/30/2002	751478	1262		Bossier	LA
LA9260129-040	ROBERT KENNETH ALLISON	DEVON ENERGY PRODUCTION COMPANY	7/25/2001	726665	1237		Bossier	LA
LA9260129-025	ROGER HARRISON VOSS	SLIGO HOLDINGS LLC	4/30/2002	751479	1262		Bossier	LA
LA9260188-006	ROSE JEANENE SUMNER BRYANT	PZL PRODUCING CO	4/15/1978	313512	608	420	Bossier	LA
LA9260155-004	S L HEROLD ET AL	UNION PRODUCING COMPANY	9/25/1938	30428	139	381	Bossier	LA
LA9260173-000	S L, HEROLD, ET AL	TRIANGLE DRILLING COMPANY INC	1/12/1929	2707	84	684	Bossier	LA
LA9260188-004	SADALIA SUMNER HAMILTON	PZL PRODUCING CO	4/15/1978	313510	608	412	Bossier	LA
LA9260002-005	SAGITTARIUS LLC, ET AL	SLIGO HOLDINGS LLC	7/16/2002	753060	1264		Bossier	LA
LA9260129-023	SALLY BALDWIN FOSTER	SLIGO HOLDINGS LLC	6/25/2002	751507	1262		Bossier	LA
LA9260003-014	SAMUEL CLAY ROGERS	SLIGO HOLDINGS LLC	4/27/2002	751434	1262		Bossier	LA
LA9260003-018	SCOTT CRICHTON	SLIGO HOLDINGS LLC	4/27/2002	751436	1262		Bossier	LA
LA9260001-015	SEYMOUR WEISS TR, ET AL	SLIGO HOLDINGS LLC	6/6/2002	751448	1262		Bossier	LA
LA9260158-012	SIDNEY HEROLD LAZARD ET UX	DEVON ENERGY PRODUCTION COMPANY	12/27/1999	705542	1215	17	Bossier	LA
LA9260158-013	SIDNEY HEROLD LAZARD JR SUCCES	DEVON ENERGY PRODUCTION COMPANY	5/10/2000	705543	1215	20	Bossier	LA
LA9260051-003	SKANNAL, A C , JR	UNITED GAS PUBLIC SERVICE CO	8/15/1933	14991	109	395	Bossier	LA
LA9260189-000	STATE OF LOUISIANA - 10415	PZL PRODUCING CO.	9/8/1982	377173	733	715	Bossier	LA
LA9260193-000	STATE OF LOUISIANA - 249	TRIANGLE DRILLING COMPANY	4/15/1930	7521	94	477	Bossier	LA
LA9260129-020	STEPHEN W. SCHNEIDER	SLIGO HOLDINGS LLC	4/3/2002	751493	1262		Bossier	LA
LA9260296-001	STUART ODEN	CHESAPEAKE EXPLORATION LP	10/1/2006	899074	1407		Bossier	LA
LA9260129-018	SUE DREYER SLACK	SLIGO HOLDINGS LLC	5/29/2002	751477	1262		Bossier	LA
LA9260129-022	SUSAN BALDWIN PATTON	SLIGO HOLDINGS LLC	6/25/2002	752692	1264		Bossier	LA
LA9260127-000	T S NEAL	PRODUCERS OIL & GAS CO INC	1/29/1935	17596	117	267	Bossier	LA
LA9260129-036	THAIS RAY SOES	DEVON ENERGY PRODUCTION COMPANY	5/13/2001	723231	1234	208	Bossier	LA
LA9260174-002	THIGPEN & HEROLD ET AL	UNITED GAS PUBLIC SERVICE CO	8/27/1934	16678	110	466	Bossier	LA
LA9260003-019	THOMAS CRICHTON IV	SLIGO HOLDINGS LLC	4/27/2002	751437	1262		Bossier	LA
LA9260003-015	THOMAS M ROGERS	SLIGO HOLDINGS LLC	4/27/2002	751433	1262		Bossier	LA
LA9260174-005	THOMAS ROSCOE, ET AL	UNITED GAS PUBLIC SERVICE CO	10/20/1936	23950	126	148	Bossier	LA
LA0050041-000	TONY L KEY	TWIN CITIES DEVELOPMENT, LLC	3/20/2008	925953			Bossier	LA
LA0000065-001	TRINITY ROYALTY CO, INC	SLIGO HOLDINGS, LLC	5/1/2002	751319	1262		Bossier	LA
LA9260183-001	UNOCAL EXPLORATION CORP	PENNZOIL EXPLORATION	10/1/1990	517924	977	369	Bossier	LA
LA9260201-000	VALERIE K ROOS ET AL	UNITED GAS PUBLIC SERVICE CO	5/8/1936	21784	124	119	Bossier	LA
LA9260181-000	VALERIE K. ROOS, ET AL	UNION PRODUCING COMPANY	12/31/1951	77215	219	250	Bossier	LA

LA9260184-002	VALERIE K. ROOS, ET AL	UNION PRODUCING COMPANY	12/5/1947	59870	186	175	Bossier	LA
LA9260002-007	VWM-LA PROPERTIES	SLIGO HOLDINGS LLC	6/4/2002	751450	1262		Bossier	LA
LA0000070-004	W E HALL, ET AL	J R BOZEMAN	3/14/1946	54194	172	553	Bossier	LA
LA9260184-001	W L SUMNER, ET AL	UNION PRODUCING COMPANY	12/2/1947	59371	186	33	Bossier	LA
LA9260002-001	WEBB FAMILY TR, JOHN & MOLLIE	SLIGO HOLDING LLC	4/19/2002	751438	1262		Bossier	LA
LA9260129-014	WILBERT A. LEMONS	SLIGO HOLDINGS LLC	6/27/2002	751494	1262		Bossier	LA
LA9260002-006	WILCOX 1992 ACQUISITION FUND	SLIGO HOLDINGS LLC	6/3/2002	751444	1262		Bossier	LA
LA9260129-035	WILLIAM BRUCE THOMPSON	SLIGO HOLDINGS LLC	2/28/2002	753059	1264		Bossier	LA
LA9260194-005	WILLIAM PAUL LAWRENCE, II	CHESAPEAKE LOUISIANA, L P	6/1/2004	937398	1458		Bossier	LA
LA9260003-012	WILLIAM R PICKARD	SLIGO HOLDINGS LLC	4/27/2002	751455	1262		Bossier	LA
LA9260129-013	WILLIAM T. LEMONS	SLIGO HOLDINGS LLC	6/7/2002	751492	1262		Bossier	LA

END OF EXHIBIT A

Exhibit A-2 – Wells

Attached to and made part of that certain Purchase and Sale Agreement by and between
Weatherly Oil & Gas, LLC, as Seller, and Aethon United BR LP and PEO Haynesville Holdco, LLC, as Buyers

PROPERTY NO.	LA SERIAL NO.	PROPERTY NAME	API NO.	COUNTY/PARISH	STATE	BPO WI	BPO NRI	APO WI	APO NRI	ORRI	ALLOCATED VALUE
590180	18559 38113	A J MURFF A-1 A J MURFF A-1-D	17-015-01355	BOSSIER	LA	1.00000000	.87333300	1.00000000	.87333300		
590196	140786	CHATMAN 1	17-015-20380	BOSSIER	LA	.62500000	.55093728	.62500000	.55093728		
590193	23948	CHATMAN 2	17-015-02276	BOSSIER	LA	1.00000000	.89333300	1.00000000	.89333300		
590215	225718 226592	CHATMAN 18-1 CHATMAN 18-1-D-ALT	17-015-23165	BOSSIER	LA	.90625000	.79765603	.90625000	.79765603		
522098	230819	CHATMAN 18-2 ALT	17-015-23682	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
590379	230743	CHATMAN 18-3 ALT	17-015-23670	BOSSIER	LA	.60000000	.52440000	.57500000	.50255000		
522237	231998	CHATMAN 18-4 ALT	17-015-23811	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
613336	234762	CHATMAN 18-5 ALT	17-015-24110	BOSSIER	LA	.95000000	.87518749	.58437500	.51074375		
590293	228894 229449	CHESAPEAKE FEE 14-1-ALT CHESAPEAKE FEE 14-1-D-ALT	17-015-23423	BOSSIER	LA	.93750000	.82697797	.93750000	.82697797		
590342	229197	CHESAPEAKE FEE 14-2-ALT	17-015-23463	BOSSIER	LA	.93750000	.82700537	.93750000	.82700537		
611597	234544	COI 20-1-ALT	17-015-24083	BOSSIER	LA	.95000000	.75819919	.92542729	.73432363		
522099	230718	FREEDMAN 15-1-ALT	17-015-23659	BOSSIER	LA	.95000000	.82671184	.95000000	.82671184		
522100	230590	FREEDMAN 15-2-ALT	17-015-23638	BOSSIER	LA	.95000000	.82671184	.95000000	.82671184		
590252	76467 30861	FREEDMAN UNIT A-1 FREEDMAN UNIT A-1-D	17-015-01656	BOSSIER	LA	1.00000000	.87022300	1.00000000	.87022300		
590337	973153	GREYSTONE PETROLEUM LLC SWD 1	17-015-88087	BOSSIER	LA	1.00000000	.00000000	1.00000000	.00000000		
590254	19586	H G FREEDMAN 1	17-015-01661	BOSSIER	LA	1.00000000	.87132100	1.00000000	.87132100		
522101	230620	HALL 17-1 ALT	17-015-23645	BOSSIER	LA	.95000000	.63584053	.95000000	.63584053	.06835938	
590217	227430	HALL 20-1	17-015-23299	BOSSIER	LA	.97239312	.77049766	.97239312	.77049766		
611595	233743	HALL 20-2 ALT	17-015-24001	BOSSIER	LA	.95000000	.75819921	.92846144	.73666074		
611596	233868	HALL 20-3 ALT	17-015-24017	BOSSIER	LA	.95000000	.75819919	.92542729	.73432377		
590290	228419	JAMERSON 24-1-ALT	17-015-23374	BOSSIER	LA	1.00000000	.87682000	1.00000000	.87682000		
590246	49110	JETER 1-D	17-015-01617	BOSSIER	LA	1.00000000	.88642700	1.00000000	.88642700		
522050	229956 229990	JETER 23-1 JETER 23-1-D-ALT	17-015-23567	BOSSIER	LA	.95000000	.75141148	.95000000	.75141148		

522102	231516	JETER 23-2 ALT	17-015-23753	BOSSIER	LA	.95000000	.75141147	.95000000	.75141147		
522204	231639	JETER 23-3 ALT	17-015-23765	BOSSIER	LA	.95000000	.83032227	.95000000	.83032227		
522083	230608	JETER 24-1 ALT	17-015-23640	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522189	231472	JETER 24-2 ALT	17-015-23745	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
590236	19872	JETER A-1	17-015-01560	BOSSIER	LA	1.00000000	.87883450	1.00000000	.87883450		
590235	78904	JETER A-2	17-015-01559	BOSSIER	LA	1.00000000	.87883450	1.00000000	.87883450		
590288	228270	JOHNSON 24 1-ALT	17-015-23355	BOSSIER	LA	1.00000000	.87682000	1.00000000	.87682000		
522105	230992	KERR 24-1 ALT	17-015-23701	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522104	230723	KERR 24-2 ALT	17-015-23664	BOSSIER	LA	.95000000	.83124999	.95000000	.83124999		
522106	231072	KERR 24-3 ALT	17-015-23708	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
615192	235196	KERR 24-4 ALT	17-015-24167	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522190	235339	KERR 24-5 ALT	17-015-24182	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
590346	49067	KERR A-6 RE	17-015-01554	BOSSIER	LA	1.00000000	.76785130	1.00000000	.76785130		
590345	26148 41314	KERR C-1 KERR C-1-D	17-015-01548	BOSSIER	LA	1.00000000	.87682000	1.00000000	.87682000		
610784	232916	KERR ETAL 24 1 ALT	17-015-23910	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
590274	217318	L M MOFFITT ETAL 1-ALT	17-015-22740	BOSSIER	LA	1.00000000	.87655900	1.00000000	.87655900		
590289	228418	LAWRENCE ET AL 24-1-ALT	17-015-23373	BOSSIER	LA	1.00000000	.87682000	1.00000000	.87682000		
612207	234417	LAWRENCE ET AL 24-2 ALT	17-015-24074	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522197	231539	LEMON HEIRS 20-1 ALT	17-015-23755	BOSSIER	LA	.92846142	.73666074	.92846142	.73666074		
590242	19932 46008	LENA SCHNITT 3-ALT LENA SCHNITT 3-D	17-015-01598	BOSSIER	LA	.93750000	.82763920	.93750000	.82763920		
590206	218077	MARTIN TIMBER CO 1	17-015-22767	BOSSIER	LA	1.00000000	.81224367	1.00000000	.81224367		
590214	225605	MARTIN TIMBER CO 2	17-015-23158	BOSSIER	LA	1.00000000	.80756833	1.00000000	.80756833		
610786	234194	MARTIN TIMBER CO 3-ALT	17-015-23911	BOSSIER	LA	.95000000	.76718991	.95000000	.76718991		
610789	232918	MARTIN TIMBER CO 4-ALT	17-015-23912	BOSSIER	LA	.95000000	.76718991	.95000000	.76718991		
613756	234795	MARTIN TIMBER CO 5 ALT	17-015-24115	BOSSIER	LA	.95000000	.76718991	.95000000	.76718991		
590287	227964	MCGUIRE 13-1-ALT	17-015-23328	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
590292	228701 229305	MCGUIRE 13-2-ALT MCGUIRE 13-2-D-ALT	17-015-23412	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
522124	230621	MCGUIRE 13-3 ALT	17-015-23646	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
522240	232000	MCGUIRE 13-4 ALT	17-015-23813	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	

612454	234528	MCGUIRE 13-5 ALT	17-015-24081	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
613783	235118	MCGUIRE 13-6 ALT	17-015-24160	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
613784	235119	MCGUIRE 13-7 ALT	17-015-24161	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
590218	228094	MURFF 17-1-ALT	17-015-23335	BOSSIER	LA	1.00000000	.66930583	1.00000000	.66930583	.06835938	
590086	228161	MURFF 19-1-ALT	17-015-23344	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590209	220028	MURFF 1-ALT	17-015-22834	BOSSIER	LA	1.00000000	.75000000	1.00000000	.75000000	.12500000	
590216	226232	MURFF 2-ALT	17-015-23202	BOSSIER	LA	1.00000000	.75000000	1.00000000	.75000000	.12500000	
590184	20240 41115	MURFF A-2 MURFF A-2-D	17-015-01397	BOSSIER	LA	1.00000000	.87333300	1.00000000	.87333300		
590181	71391 72768	MURFF A-3 MURFF A-3-D	17-015-01361	BOSSIER	LA	1.00000000	.87333300	1.00000000	.87333300		
590182	78632 79592	MURFF B-2 MURFF B-2-D	17-015-01362	BOSSIER	LA	1.00000000	.87321500	1.00000000	.87321500		
590186	41105 41637	MURFF C-1 MURFF C-1-D	17-015-01411	BOSSIER	LA	1.00000000	.87416700	1.00000000	.87416700		
590204	217158	MURFF C-2-ALT	17-015-22725	BOSSIER	LA	.62500000	.55156228	.62500000	.55156228		
590222	228930 229329	MURFF HEIRS 17-2-ALT MURFF HEIRS 17-2-D-ALT	17-015-23432	BOSSIER	LA	1.00000000	.66930583	1.00000000	.66930583	.06835938	
590087	229198 229560	MURFF HEIRS 17-3-ALT MURFF HEIRS 17-3-D-ALT	17-015-23464	BOSSIER	LA	1.00000000	.66930583	1.00000000	.66930583	.06835938	
522095	230403	MURFF HEIRS 17-4-ALT	17-015-23618	BOSSIER	LA	.95000000	.70419991	.95000000	.70419991		
522109	230988	MURFF HEIRS 17-5-ALT	17-015-23700	BOSSIER	LA	.95000000	.63584053	.95000000	.63584053	.06835938	
613526	234530 235175	MURFF HEIRS 17-8-ALT MURFF HEIRS 17-8-D-ALT	17-015-24082	BOSSIER	LA	.95000000	.63584053	.95000000	.63584053	.06835938	
612208	234120 235264	MURFF HEIRS 17-9-ALT MURFF HEIRS 17-9-D-ALT	17-015-24052	BOSSIER	LA	.95000000	.63584053	.95000000	.63584053	.06835938	
590325	229675 229676	MURFF HEIRS 18-1-ALT MURFF HEIRS 18-1-D-ALT	17-015-23523	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
611594	233762	MURFF HEIRS 18-2-ALT	17-015-24002	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
522067	230120 230315	MURFF HEIRS 18-3-ALT MURFF HEIRS 18-3-D-ALT	17-015-23586	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
611593	233763	MURFF HEIRS 18-4-ALT	17-015-24003	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
612457	234697	MURFF HEIRS 18-5-ALT	17-015-24100	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
610980	233081	MURFF HEIRS 19-1-ALT	17-015-23934	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
613339	234680	MURFF HEIRS 19-2-ALT	17-015-24099	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		

522110	230749	MURFF HEIRS 19-3-ALT	17-015-23672	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522111	230763	MURFF HEIRS 19-4-ALT	17-015-23674	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522225	232501	MURFF HEIRS 19-5-ALT	17-015-23881	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
613338	234796	MURFF HEIRS 19-8 ALT	17-015-24116	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
590187	37540 37882	MURFF SKANNAL 1 MURFF SKANNAL 1-D	17-015-01417	BOSSIER	LA	1.00000000	.89333300	1.00000000	.89333300		
522113	230780	PAGE 18-1-ALT	17-015-23678	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
522094	230404	PETTIT HEIRS 17-1-ALT	17-015-23619	BOSSIER	LA	.95000000	.63584053	.63584053	.63584053	.06835938	
522114	230721	PETTIT HEIRS 17-2-ALT	17-015-23662	BOSSIER	LA	.95000000	.70419991	.95000000	.70419991		
522115	230820	PETTIT HEIRS 17-3-ALT	17-015-23683	BOSSIER	LA	.95000000	.63584053	.63584053	.63584053	.06835938	
522116	230993	PETTIT HEIRS 17-4	17-015-23702	BOSSIER	LA	.95000000	.77573557	.44412555	.33309538		
522045	229954 229955	R O ROY 18-1-ALT R O ROY 18-1-D-ALT	17-015-23566	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
590099	229566 229567	R O ROY 18-2-ALT R O ROY 18-2-D-ALT	17-015-23504	BOSSIER	LA	.62500000	.54625000	.62500000	.54625000		
522066	230121	R O ROY 18-3-ALT	17-015-23587	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
522205	230948	R O ROY 18-4-ALT	17-015-23697	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
522241	231999	R O ROY 18-5-ALT	17-015-23812	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
522236	232021	R O ROY 18-6-ALT	17-015-23816	BOSSIER	LA	.57500000	.50255000	.57500000	.50255000		
613337	234803	R O ROY 18-8-ALT	17-015-24117	BOSSIER	LA	.95000000	.87518749	.58437500	.51074375		
614630	235039	R O ROY 18-9-ALT	17-015-24154	BOSSIER	LA	.95000000	.87518749	.58437500	.51074375		
590207	218102	R O ROY 1-ALT	17-015-22769	BOSSIER	LA	.62500000	.55156228	.62500000	.55156228		
590276	218208	R V KERR ETAL 1	17-015-22774	BOSSIER	LA	1.00000000	.87682000	1.00000000	.87682000		
590240	19200	ROOS 1	17-015-01593	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590286	227882	ROOS 14-1-ALT	17-015-23323	BOSSIER	LA	.93750000	.82697797	.93750000	.82697797		
522117	230880	ROOS 14-2-ALT	17-015-23690	BOSSIER	LA	.89375000	.78277111	.88766556	.77670737		
590291	228660 229276	ROSCOE 14-1-ALT ROSCOE 14-1-D	17-015-23405	BOSSIER	LA	.93750000	.82697797	.93750000	.82697797		
590088	229445 229608	ROSCOE 14-2 ROSCOE 14-2-D-ALT	17-015-23492	BOSSIER	LA	.93750000	.82031250	.93750000	.82031250		
522085	230249	ROSCOE 14-3-ALT	17-015-23602	BOSSIER	LA	.88831968	.77727969	.88831968	.77727969		
522118	230728	ROSCOE 14-4	17-015-23669	BOSSIER	LA	.88783112	.77685224	.88783112	.77685224		
590241	26169 46066	ROSCOE A-1 ROSCOE A-1-D	17-015-01596	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		

590341	22172	SANDIDGE 1	17-015-01614	BOSSIER	LA	1.00000000	.80000000	1.00000000	.80000000		
522119	230744	SCHNITT 14-1-ALT	17-015-23671	BOSSIER	LA	.89375000	.78277111	.88766556	.77670737		
522238	232027	SCHNITT 14-2-ALT	17-015-23818	BOSSIER	LA	.97500000	.85312509	.88750000	.77656250		
590258	126420	SCHNITT 4	17-015-20112	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590230	29118 81832	SCHULER A-3-ALT SCHULER A-3-D	17-015-01510	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590096	38295 45051	SECTION 13-1-ALT SECTION 13-1-D	17-015-01525	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
590231	65065 66276	SECTION 13-2-D SECTION 13-2-ALT	17-015-01524	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590255	71375 72792	SECTION 13-3 SECTION 13-3-D	17-015-02258	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590340	71985 72769	SECTION 13-4 SECTION 13-4-D	17-015-01542	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590243	45101 45749	SECTION 14-1-ALT SECTION 14-1-D	17-015-01604	BOSSIER	LA	.93750000	.82031560	.93750000	.82031560		
590245	71618	SECTION 14-2	17-015-01613	BOSSIER	LA	.88888900	.71111008	.88888900	.71111008		
590343	135374	SECTION 14-A-2	17-015-20311	BOSSIER	LA	.93750000	.82670230	.93750000	.82670230		
590264	155870	SECTION 14-A-3	17-015-21063	BOSSIER	LA	.95312500	.78832844	.95312500	.78832844		
590253	71376	SECTION 15-22-J-1	17-015-01657	BOSSIER	LA	1.00000000	.87132100	1.00000000	.87132100		
590198	174327	SECTION 17-2-ALT	17-015-21635	BOSSIER	LA	1.00000000	.73766521	1.00000000	.73766521		
590188	63382 65094	SECTION 18-1 SECTION 18-1-D-ALT	17-015-01419	BOSSIER	LA	.62500000	.55093728	.62500000	.55093728		
590185	69832 71617	SECTION 19 SECTION 19-1-D	17-015-01403	BOSSIER	LA	1.00000000	.87355900	1.00000000	.87355900		
590197	160411	SECTION 19-2-ALT	17-015-21154	BOSSIER	LA	1.00000000	.87355900	1.00000000	.87355900		
590338	171267	SECTION 20-2	17-015-21540	BOSSIER	LA	1.00000000	.80000000	1.00000000	.80000000		
590344	80614	SECTION 23-1	17-015-01622	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590263	155869	SECTION 24-1-ALT	17-015-21062	BOSSIER	LA	1.00000000	.87655900	1.00000000	.87655900		
590347	37027 37388	SECTION 25-1 SECTION 25-1-D	17-015-01561	BOSSIER	LA	1.00000000	.82000000	1.00000000	.82000000		
522193	231555	SHEPPARD 19-1-ALT	17-015-23756	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522194	231942	SHEPPARD 19-2-ALT	17-015-23802	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522120	230853 231640	SHEPPARD 20-1-ALT SHEPPARD 20-1-D-ALT	17-015-23688	BOSSIER	LA	.92846142	.73666077	.92846142	.73666077		

522187	231556	SHEPPARD 20-2-ALT	17-015-23757	BOSSIER	LA	.92846142	.73666072	.92846142	.73666072		
590295	229283 229510	SKANNAL 13-1-ALT SKANNAL 13-1-D-ALT	17-015-23474	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
590100	229594 229835	SKANNAL 13-2-ALT SKANNAL 13-2-D-ALT	17-015-23515	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
522047	229741 229876	SKANNAL 13-3-ALT SKANNAL 13-3-D-ALT	17-015-23527	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
522046	229830 229841	SKANNAL 13-4-ALT SKANNAL 13-4-D-ALT	17-015-23542	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
522091	231416	SKANNAL 13-5-ALT	17-015-23610	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
522092	230313 230506	SKANNAL 13-6-ALT SKANNAL 13-6-D-ALT	17-015-23611	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
522096	230405	SKANNAL 13-7-ALT	17-015-23620	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
611592	233958	SKANNAL 13-8-ALT	17-015-24027	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
611598	234119	SKANNAL 13-9-ALT	17-015-24051	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
612455	234562	SKANNAL 13-10-ALT	17-015-24084	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
522049	230122 230591	SKANNAL 14-1-ALT SKANNAL 14-1-D-ALT	17-015-23588	BOSSIER	LA	.88831968	.77728564	.88831968	.77728564		
522198	233520	SKANNAL 14-2-ALT	17-015-23880	BOSSIER	LA	.88750000	.77656250	.88750000	.77656250		
522244	232029	SKANNAL 14-3-ALT	17-015-23819	BOSSIER	LA	.88750000	.77656250	.88750000	.77656250		
590221	228923 229450	SKANNAL 19-1-ALT SKANNAL 19-1-D-ALT	17-015-23430	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590090	229397 229511	SKANNAL 19-2-ALT SKANNAL 19-2-D-ALT	17-015-23490	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
522084	230314 230504	SKANNAL 19-3-ALT SKANNAL 19-3-D-ALT	17-015-23612	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
522186	231565	SKANNAL 19-4-ALT	17-015-23759	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
614672	235276	SKANNAL 19-5-ALT	17-015-24178	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
611591	233939	SKANNAL 19-9-ALT	17-015-24023	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
590262	141169	SKANNAL 5	17-015-20403	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
590269	209878	SKANNAL 6-ALT	17-015-22519	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590275	217319	SKANNAL 7-ALT	17-015-22741	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
590233	16434	SKANNAL A-1	17-015-01540	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590256	125610	SKANNAL A-3	17-015-20106	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
590244	17231	SKANNAL B-1	17-015-01608	BOSSIER	LA	.88888890	.79027900	.88888890	.79027900		

590257	125707	SKANNAL C-4	17-015-20107	BOSSIER	LA	1.00000000	.87500000	1.00000000	.87500000		
613823	235509	SMITH 19-1-ALT	17-015-24196	BOSSIER	LA	.95000000	.83125000	.95000000	.83125000		
590285	225950 226556	THIGPEN 13-1-ALT THIGPEN 13-1-D-ALT	17-015-23187	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
590091	229430 229514	THIGPEN 13-2-ALT THIGPEN 13-2-D-ALT	17-015-23491	BOSSIER	LA	1.00000000	.86132800	1.00000000	.86132800	.01367200	
522121	230922 231845	THIGPEN 13-3-ALT THIGPEN 13-3-D-ALT	17-015-23695	BOSSIER	LA	.95000000	.81826160	.95000000	.81826160	.01367200	
522239	232001	THIGPEN 13-4-ALT	17-015-23814	BOSSIER	LA	.95000000	.83193360	.95000000	.83193360		
590203	216811	THIGPEN-HEROLD C-1-ALT	17-015-22705	BOSSIER	LA	1.00000000	.87355900	1.00000000	.87355900		
590220	228357	TLC ENTERPRISES 29-1-ALT	17-015-23366	BOSSIER	LA	1.00000000	.80756833	1.00000000	.80756833		
522051	229875 229930	TREAT 14-1-ALT TREAT 14-1-D-ALT	17-015-23551	BOSSIER	LA	.90395144	.79095751	.88832644	.77728564		
590273	217270	WEBB A-2	17-015-22733	BOSSIER	LA	1.00000000	.79735344	1.00000000	.79735344		
522122	230921	WEBB A-3-ALT	17-015-23694	BOSSIER	LA	.95000000	.75141148	.94932360	.75141148		
522103	231818	WRIGHT 20-1 SWD	17-015-23684	BOSSIER	LA	.95000000	.00000000	.95000000	.00000000		

END OF EXHIBIT A-2

Exhibit A-3 – Contracts
Attached to and made part of that certain Purchase and Sale Agreement by and between
Weatherly Oil & Gas, LLC, as Seller, and Aethon United BR LP and PEO Haynesville Holdco, LLC, as Buyers

AGREEMENT NO.	AGREEMENT TYPE	FIRST PARTY	SECOND PARTY	DATE	PARISH	STATE
JOA 000-0002	OPERATING AGREEMENT	CHESAPEAKE LOUISIANA L P	CHESAPEAKE INVESTMENTS	1/15/2008	BOSSIER	LA
JOA 926-0002	OPERATING AGREEMENT	UNION PRODUCING COMPANY	ARKANSAS LOUISIANA GAS CO	1/1/1957	BOSSIER	LA
JOA 926-0004	OPERATING AGREEMENT	UNION PRODUCING COMPANY	A J HODGES, ET AL	6/2/1958	BOSSIER	LA
JOA 926-0005	JOINT OPERATING AGREEMENT	ARKANSAS LOUISIANA GAS COMPANY	MURPHY CORPORATION ETAL	10/1/1956	BOSSIER	LA
	OPERATING AGREEMENT	ARKANSAS LOUISIANA GAS COMPANY	MURPHY CORPORATION ETAL	2/1/1961	BOSSIER	LA
	SALE AND PURCHASE OF NATURAL GAS	TEXLA ENERGY MANAGEMENT, INC	WEATHERLY OIL & GAS, LLC	9/5/2006	BOSSIER	LA
	SALE AND PURCHASE OF CRUDE OIL & CONDENSATE	GENESIS CRUDE OIL, L.P.	CHESAPEAKE OPERATING INC.	8/25/2004	BOSSIER	LA
Contract #21615	COMPRESSOR AGREEMENTS	J-W POWER COMPANY	WEATHERLY OIL & GAS, LLC	10/1/2017	BOSSIER	LA
Contract #21839	COMPRESSOR AGREEMENTS	J-W POWER COMPANY	WEATHERLY OIL & GAS, LLC	1/26/2018	BOSSIER	LA

AGREEMENT NO.	GRANTOR	GRANTEE	DATE	PARISH	STATE	BOOK	PAGE	ENTRY
LA9990321-000	A C SKANNAL JR ET AL	UNITED GAS PIPE LINE COMPANY	1/7/1949	BOSSIER	LA	199	2	
LA9990396-000	A J MURFF JR & S DORMAN MURFF & SALLIE L BEVILL & MRS A J MURFF & MRS MARGARET M ROGERS & MRS FANNIE M KINCAIDE & MRS ROXA M BROWNING & MRS KATE MURFF LAWRENCE & MRS AUDREY MURFF SHEPPARD	UNITED GAS PIPE LINE CO	1/27/1940	BOSSIER	LA	143	561	33476
LA9990446-000	ANDREW JACKSON MURFF, JR, ET AL	UNITED GAS PIPE LINE CO	9/19/1950	BOSSIER	LA	217	336	76313
LA9990621-000	ANDY PROPERTIES, LLC	CHESAPEAKE OPERATING INC.	2/14/2005	BOSSIER	LA	1331		826861
LA9990968-000	ARDIS WILLIAMS JR	CHESAPEAKE ENERGY MARKETING, INC.	12/11/2004	BOSSIER	LA	1329	225	825476
LA9990974-000	ARTHUR B SINGLETON	CHESAPEAKE ENERGY MARKETING, INC.	1/3/2005	BOSSIER	LA	1329	246	825482
LA9990983-000	BANK ONE TRUST CO. N.A. TRUSTEE UNDER THE WILL OF RALPH M. CLOUD	CHESAPEAKE ENERGY MARKETING, INC.	2/11/2005	BOSSIER	LA	1336	133	831566

LA9990984-000	BANK ONE TRUST CO., NA	CHESAPEAKE ENERGY MARKETING, INC.	2/14/2005	BOSSIER	LA	C1336	149	831569
LA9990301-000	BARBARA MONTEILH	CORNERSTONE NATURAL GAS COMPANY	5/23/1990	BOSSIER	LA	964	460	510633
LA9990276-000	BETTY JEAN HALL	CORNERSTONE NATURAL GAS COMPANY	4/2/1990	BOSSIER	LA	958	472	506581
LA9990287-000	BETTY MIMS OLIVER	CORNERSTONE NATURAL GAS COMPANY	2/8/1990	BOSSIER	LA	959	151	507453
LA9990975-000	BILLIE FAYE WILLIS DUPUY & S DENISE SIMS	CHESAPEAKE ENERGY MARKETING, INC.	12/24/2004	BOSSIER	LA	1329	250	825483
LA9990265-000	BILLIE SUE MIMS ALFORD	CORNERSTONE NATURAL GAS COMPANY	5/14/1990	BOSSIER	LA	965	111	511010
LA9990609-000	BILLY FOSTER PROPERTIES, INC	CHESAPEAKE OPERATING INC.	2/1/2005	BOSSIER	LA	1331		826858
LA9990956-000	BOBBE NELL HIBLER TOOKE PROTECTIVE TRUST	CHESAPEAKE ENERGY MARKETING, INC.	9/23/1988	BOSSIER	LA	1329	141	825430
LA9990299-000	BOOKER T WASHINGTON	CORNERSTONE NATURAL GAS COMPANY	10/4/1990	BOSSIER	LA	969	929	513242
LA9990970-000	BRENDA HAYWARD	CHESAPEAKE ENERGY MARKETING, INC.	11/9/2004	BOSSIER	LA	1329	235	825479
LA9990365-001	CALVIN BROWN & JOE BROWN & BENJAMIN BROWN & WILLIAM BROWN & MARY ANN BROWN & H K BROWN	UNITED GAS PIPE LINE CO	10/11/1939	BOSSIER	LA	143	371	32758
LA9990252-000	CATHERINE DALE LUSK	GREYSTONE PETROLEUM LLC	6/13/2002	BOSSIER	LA	1266	531	750145
	CEMI	CHESAPEAKE MIDSTREAM GAS SERVICES, L.L.C.	2/11/2005	BOSSIER	LA	1483	570	
LA9990286-000	CHARITY MIMS & MATTHEW MIMS & ANNIE MIMS SMITH	CORNERSTONE NATURAL GAS COMPANY	2/2/1990	BOSSIER	LA	959	143	507451
LA9990636-000	CHARLES E, JR & KELLI J PITTS	CHESAPEAKE OPERATING INC.	6/6/2005	BOSSIER	LA	1350		846607
LA9990314-000	CHARLES M ROBINSON	CORNERSTONE NATURAL GAS COMPANY	2/8/1990	BOSSIER	LA	958	514	506592
LA9990262-000	CHARLES VERLON HALL	CORNERSTONE NATURAL GAS COMPANY	7/24/1990	BOSSIER	LA	969	921	513240
LA9990966-000	CHARLIE WILLIAMS	CHESAPEAKE ENERGY MARKETING, INC.	1/6/2004	BOSSIER	LA	1329	219	825474
	CHESAPEAKE LOUISIANA LP; CHESAPEAKE OPERATING, INC.	MID-AMERICA MIDSTREAM GAS SERVICES, L.L.C.	2/11/2005	BOSSIER	LA	1568	871	
LA9990650-000	CHESAPEAKE OPERATING INC.	WEYERHAEUSER COMPANY	12/15/2004	BOSSIER	LA	1331		826865
LA9990596-000	CHESAPEAKE OPERATING INC.	KELVIN VAN ARSDALE	12/2/2004	BOSSIER	LA	1331		826853

LA9990597-000	CHESAPEAKE OPERATING INC.	DOROTHY ROLLINS	12/7/2004	BOSSIER	LA	1331		826847
LA9990600-000	CHESAPEAKE OPERATING INC.	LESLIE VAN	12/20/2004	BOSSIER	LA	1331		826862
LA9990601-000	CHESAPEAKE OPERATING INC.	RONALD L VAN	12/6/2004	BOSSIER	LA	1331		826850
LA9990605-000	CHESAPEAKE OPERATING INC.	HAROLD VAN ARSDALE	12/2/2004	BOSSIER	LA	1331		826854
LA9990606-000	CHESAPEAKE OPERATING INC.	ALEAN HUNTER	1/18/2005	BOSSIER	LA	1331		826860
LA9990607-000	CHESAPEAKE OPERATING INC.	CONNIE RIVERS	12/2/2004	BOSSIER	LA	1331		826852
LA9990617-000	CHESAPEAKE OPERATING INC.	JAMES E & CATHRERINE D LUSK	11/15/2005	BOSSIER	LA	1357		853586
LA9990618-000	CHESAPEAKE OPERATING INC.	ANDY PROPERTIES, LLC	2/28/2005	BOSSIER	LA	1350		846608
LA9990619-000	CHESAPEAKE OPERATING INC.	ROY D & TERRI C BANES	3/30/2005	BOSSIER	LA	1350		846624
LA9990620-000	CHESAPEAKE OPERATING INC.	ANDY PROPERTIES, LLC	2/5/2005	BOSSIER	LA	1350		846609
LA9990289-000	CLAIRA MIMS SULLIVAN	CORNERSTONE NATURAL GAS COMPANY	10/2/1990	BOSSIER	LA	1059	833	580416
LA9990971-000	CLAUDE A DANCE JR	CHESAPEAKE ENERGY MARKETING, INC.	12/18/2004	BOSSIER	LA	1329	238	825480
LA9990673-000	CLYDE HANLEY, JR & NANCY	CHESAPEAKE OPERATING INC	5/12/2006	BOSSIER	LA			
	CMGS	MID-AMERICA MIDSTREAM GAS SERVICES, L.L.C.	12/12/2003	BOSSIER	LA	1527	236	
LA9990994-000	COLUMBUS K MORRIS & CLEOPHUS MORRIS HEIRS OF THE WILL AND THEO MORRIS ESTATE	CHESAPEAKE ENERGY MARKETING, INC.	10/21/2004	BOSSIER	LA	C1336	92	831558
	CONRAD C. ISOM; VIRGINIA HEARD ISOM	GULF STATES PIPELINE CORPORATION	9/12/1988	BOSSIER	LA	915	663	
LA9990349-001	CORNERSTONE NATURAL GAS CO	FOSTER S TEAGUE	2/7/1990	BOSSIER	LA		609	506623
LA9994143-000	CORNERSTONE NATURAL GAS CO	MARY EVELYN BELL MCGUIRE ET AL	1/23/1990	BOSSIER	LA	958	598	506620
LA9990349-003	CORNERSTONE NATURAL GAS CO.	ELSA JANE TEAGUE LAMPKIN	2/6/1990	BOSSIER	LA		603	506621
LA9990350-000	CORNERSTONE NATURAL GAS CO.	PREMIER BANK TRUSTEE	2/20/1990	BOSSIER	LA		595	506619
LA9990349-002	CORNERTSTONE NATURAL GAS CO.	ANN SCOTT MORRIS	2/15/1990	BOSSIER	LA		606	506622
LA9991002-000	DANNIE GLENN BATES & FELICIDAD R BATES	CHESAPEAKE ENERGY MARKETING, INC.	1/3/2005	BOSSIER	LA	1329	290	825493
LA9990960-000	DAVID VAN BROWN & LETA MICHEAL HALL BROWN	CHESAPEAKE ENERGY MARKETING, INC.	10/22/2004	BOSSIER	LA	1329	158	825434
LA9990292-000	DAVIS JAMES JR & JANE B JAMES	CORNERSTONE NATURAL GAS COMPANY	6/1/1990	BOSSIER	LA	958	619	506627
LA9990318-000	DEPARTMENT OF THE AIR FORCE BARKSDALE AIR FORCE BASE	GREYSTONE PETROLEUM LLC	1/28/2003	BOSSIER	LA	589	3	
LA9994142-000	DONALD H HERRON & JAYNE ANN HERRON	CORNERSTONE NATURAL GAS COMPANY	12/29/1989	BOSSIER	LA	958	572	506612
LA9990266-000	DORIS MARIE HALL HARRIS	CORNERSTONE NATURAL GAS COMPANY	5/21/1990	BOSSIER	LA	965	107	511009

LA9990284-000	DOROTHY D MIMS	CORNERSTONE NATURAL GAS COMPANY	2/7/1990	BOSSIER	LA	959	147	507452
LA9990297-000	DOROTHY MORELY TAYLOR	CORNERSTONE NATURAL GAS CO	2/22/1989	BOSSIER	LA		553	506604
LA9990315-000	DOROTHY ROBINSON DAVIS & RAYFIELD ROBINSON & JOYCE LEE ROBINSON	CORNERSTONE NATURAL GAS COMPANY	2/6/1990	BOSSIER	LA	958	511	506591
LA9990355-000	DOUGLAS LEE NUEHRING & PENNY NUEHRING	CORNERSTONE NATURAL GAS COMPANY	2/16/1990	BOSSIER	LA	958	565	506608
LA9990977-000	DR JEAN C BRIERRE	CHESAPEAKE ENERGY MARKETING, INC.	10/18/2004	BOSSIER	LA	1329	258	825485
LA9990363-001	E G CRAVATH	UNITED GAS PIPE LINE CO	10/13/1939	BOSSIER	LA	143	375	32781
LA9990259-000	EARL W BARTON & KAREN TONEY BARTON	CORNERSTONE NATURAL GAS COMPANY	3/7/1990	BOSSIER	LA	959	163	507456
LA9990976-000	EARNESTINE SMALLWOOD MONROE	CHESAPEAKE ENERGY MARKETING, INC.	1/3/2004	BOSSIER	LA	1329	254	825484
LA9990954-000	ELIZABETH BUSCH MILLER	CHESAPEAKE ENERGY MARKETING, INC.	9/21/1988	BOSSIER	LA	1329	134	825428
LA9990295-000	ELLEN TIPPETT POWERS	CORNERSTONE NATURAL GAS COMPANY	6/1/1990	BOSSIER	LA	958	622	506628
LA9990973-000	ELM GROVE PLANTATION INC	CHESAPEAKE ENERGY MARKETING, INC.	1/31/2005	BOSSIER	LA	1330	175	826495
LA9990352-008	ELNORA WILLIAMS BURKS	CORNERSTONE NATURAL GAS COMPANY	12/19/1989	BOSSIER	LA	958	578	506614
LA9990283-000	EMMA LEE HOGAN WOODSON	CORNERSTONE NATURAL GAS COMPANY	4/27/1990	BOSSIER	LA	958	444	506574
LA9990298-000	ERNEST L & BETTY BROWN	CORNERSTONE NATURAL GAS CO	12/6/1989	BOSSIER	LA	958	550	506603
LA9990278-000	ERNESTINE HALL	CORNERSTONE NATURAL GAS COMPANY	4/5/1990	BOSSIER	LA	958	464	506579
LA9990261-000	ERNESTINE MOORE BODY	CORNERSTONE NATURAL GAS COMPANY	5/21/1990	BOSSIER	LA	969	925	513241
LA9990271-000	ESSIE MAE BRYANT	CORNERSTONE NATURAL GAS COMPANY	4/3/1990	BOSSIER	LA	958	492	506586
LA9990370-000	ESTATE OF J L HODGES	UNITED GAS PIPE LINE CO	10/9/1939	BOSSIER	LA	143	367	32756
LA9990366-000	ESTATE OF J Y SNYDER	UNITED GAS PIPE LINE CO	10/16/1939	BOSSIER	LA	143	387	32810
LA9990263-000	ESTELLA HOGAN PRICE	CORNERSTONE NATURAL GAS COMPANY	4/3/1990	BOSSIER	LA	965	119	511012

LA9990373-000	EUGENE WILLIAMS & LURENER WILLIAMS	UNITED GAS PIPE LINE CO	9/21/1939	BOSSIER	LA	143	328	32613
LA9990309-000	F B SANDERS	CORNERSTONE NATURAL GAS COMPANY	2/14/1990	BOSSIER	LA	958	530	506597
LA9990599-000	FLOYD & MIRA V ODOM	CHESAPEAKE OPERATING INC.	11/22/2004	BOSSIER	LA	1331		826855
LA9990603-000	FLOYD & MIRA V ODOM	CHESAPEAKE OPERATING INC.	4/10/2005	BOSSIER	LA	1350		846605
LA9990961-000	FORCAP INVESTMENTS LP	CHESAPEAKE ENERGY MARKETING, INC.	12/20/2004	BOSSIER	LA	1329	162	825435
LA9990610-000	FRANK SCOTT MORAN	CHESAPEAKE OPERATING INC.	7/15/2004	BOSSIER	LA	1318		815384
LA9990614-000	FRANK SCOTT MORAN	CHESAPEAKE OPERATING INC.	7/15/2004	BOSSIER	LA	1318		815385
LA9990644-000	FRANK SCOTT MORAN	CHESAPEAKE OPERATING INC.	9/14/2004	BOSSIER	LA	1320		817070
LA9990305-000	GEORGE C & HATTIE HOWELL	CORNERSTONE NATURAL GAS CO	12/11/1989	BOSSIER	LA		542	506601
LA9990277-000	GEORGE HAROLD MIMS	CORNERSTONE NATURAL GAS COMPANY	4/6/1990	BOSSIER	LA	958	468	506580
LA9990684-000	GEORGE O WILLIAMSON	CHESAPEAKE OPERATING INC.	10/12/2006	BOSSIER	LA			
LA9998925-000	GEORGE O WILLIAMSON	CHESAPEAKE OPERATING INC.	10/12/2006	BOSSIER	LA	C1397	14	889946
LA9990660-000	GERALDINE MURRAY CHANDLER	CHESAPEAKE OPERATING INC.	5/12/2006	BOSSIER	LA			
LA9990300-000	GERTHA S MOSELEY	CORNERSTONE NATURAL GAS COMPANY	7/31/1990	BOSSIER	LA	964	463	510634
LA9990274-000	GLORIA JEAN HALL RICHMOND	CORNERSTONE NATURAL GAS COMPANY	4/3/1990	BOSSIER	LA	958	480	506583
LA9990953-000	GORDON C WARD & DOROTHY L MAULDIN WARD	CHESAPEAKE ENERGY MARKETING, INC.	9/20/1988	BOSSIER	LA	1329	130	825427
LA9990993-000	GRACIE COOPER & ELMORE MORRIS & IDA & JIMMIE LEE FRENCH & MARSHA, MELANCON HEIRS OF THE WILL AND THEO MORRIS ESTATE	CHESAPEAKE ENERGY MARKETING, INC.	10/21/2004	BOSSIER	LA	C1336	96	831559
LA9990952-000	GREGORY L LIBKE & KATHLEEN W LIBKE	CHESAPEAKE ENERGY MARKETING, INC.	9/19/1988	BOSSIER	LA	1329	127	825425
LA9994134-000	GULF SOUTH PIPELINE COMPANY LP	GREYSTONE PETROLEUM LLC	12/12/2003	BOSSIER	LA	1297	546	793421
LA9994145-000	GULF SOUTH PIPELINE COMPANY LP	GREYSTONE PETROLEUM LLC	9/18/1988	BOSSIER	LA	C1297	709	793578
	GULF SOUTH PIPELINE COMPANY LP; CHESAPEAKE LOUISIANA LP;	MID-AMERICA MIDSTREAM GAS SERVICES, L.L.C.	12/12/2003	BOSSIER	LA	1570	503	
	GULF STATES PIPELINE CORPORATION	GULF STATES PIPELINE CORPORATION	9/13/1988	BOSSIER	LA	1305	963	
LA9990375-000	H A TOOKE & H J TOOKE	UNITED GAS PIPE LINE CO	9/20/1939	BOSSIER	LA	143	324	32611

LA9990398-000	H L SKANNAL	UNITED GAS PIPE LINE CO	2/12/1940	BOSSIER	LA	143	628	33697
LA9990365-002	H T BROWN	UNITED GAS PIPE LINE CO	10/17/1939	BOSSIER	LA	143	377	32782
LA9990279-000	HARNEY S BOGAN JR	CORNERSTONE NATURAL GAS COMPANY	3/30/1990	BOSSIER	LA	958	460	506578
LA9990964-000	HENRY JOHNSON JR & SHELIA JOHNSON & JOHN C WILLIAMS & IDA WILLIAMS	CHESAPEAKE ENERGY MARKETING, INC.	11/20/2004	BOSSIER	LA	1329	215	825473
LA9990372-000	I V WILLIAMS	UNITED GAS PIPE LINE CO	9/21/1939	BOSSIER	LA	143	326	32612
LA9990312-000	IDA SANDERS FARLEY	CORNERSTONE NATURAL GAS COMPANY	2/15/1990	BOSSIER	LA	958	521	506594
LA9990969-000	IRMA WILLIAMS MALONE	CHESAPEAKE ENERGY MARKETING, INC.	1/7/2005	BOSSIER	LA	1329	232	825478
	ISOM FARMS, LLC	GULF STATES PIPELINE CORPORATION	9/14/1988	BOSSIER	LA	1355	175	
	ISOM FARMS, LLC	REGENCY INTRASTATE GAS, LLC	9/15/1988	BOSSIER	LA	1308	335	
	ISOM FARMS, LLC	REGENCY INTRASTATE GAS, LLC	9/16/1988	BOSSIER	LA	1510	142	
	ISOM FARMS, LLC	REGENCY INTRASTATE GAS, LLC	9/17/1988	BOSSIER	LA	1517	878	
LA9990360-000	J S MCCULLOUGH & MARY C THIGPEN & S L HEROLD & SKANNAL H L & ESTATE OF J Y SNYDER & W H HODGES JR	UNITED GAS PIPE LINE CO	10/17/1939	BOSSIER	LA	143	383	32808
LA9990374-000	J S MCCULLOUGH & MARY C THIGPEN & S L HEROLD & SKANNAL H L & ESTATE OF J Y SNYDER & W H HODGES JR	UNITED GAS PIPE LINE CO	10/17/1939	BOSSIER	LA	143	385	32809
LA9990323-000	J.E. CHILDERS	UNITED GAS PIPE LINE COMPANY	11/9/1945	BOSSIER	LA	167	599	
LA9990369-002	J.S. WILLIAMS, ET AL	UNITED GAS PIPE LINE COMPANY	10/27/1939	BOSSIER	LA	143	418	32907
LA9990681-000	JACK B & OLA M MCCORMICK	CHESAPEAKE OPERATING INC.	5/12/2006	BOSSIER	LA			
LA9990613-000	JAMES E & CATHERINE D LUSK	CHESAPEAKE OPERATING INC.	11/15/2005	BOSSIER	LA	1357		853587
LA9990291-000	JAMES ROBERT CORRALES & RHONDA FLEMING CORRALES	CORNERSTONE NATURAL GAS COMPANY	1/3/1990	BOSSIER	LA	958	559	506606
LA9990290-000	JAMES STEVEN NUEHRING & LINDA NUEHRING	CORNERSTONE NATURAL GAS COMPANY	1/17/1990	BOSSIER	LA	958	562	506607
LA9990963-000	JERRELL D CLARK	CHESAPEAKE ENERGY MARKETING, INC.	12/20/2004	BOSSIER	LA	1329	172	825437
LA9990658-000	JERRY & BREGITTE GREER	CHESAPEAKE EXPLORATION LP	5/12/2006	BOSSIER	LA			

LA9990281-000	JERRY WAYNE HALL	CORNERSTONE NATURAL GAS COMPANY	4/10/1990	BOSSIER	LA	958	452	506576
LA9990275-000	JESSIE LEWIS	CORNERSTONE NATURAL GAS COMPANY	4/5/1990	BOSSIER	LA	958	476	506582
LA9990272-000	JOE MIMS JR	CORNERSTONE NATURAL GAS COMPANY	4/5/1990	BOSSIER	LA	958	488	506585
LA9990304-000	JOESEPHINE HOWELL BROWN	CORNERSTONE NATURAL GAS CO	12/8/1989	BOSSIER	LA		546	506602
LA9990248-000	JOHN F HICKS	GREYSTONE PETROLEUM LLC	6/18/2002	BOSSIER	LA	1260	543	750149
LA9990352-002	JOHN JOHNSON	CORNERSTONE NATURAL GAS COMPANY	7/28/1990	BOSSIER	LA	964	469	510636
LA9990990-000	JOHN MURRY LEGRAND JR & CHRISTINE TUMINELLO LEGRAND	CHESAPEAKE ENERGY MARKETING, INC.	10/26/2004	BOSSIER	LA	1329	277	825490
LA9990545-000	JORDAN BURKS	CHESAPEAKE OPERATING INC.	3/30/2005	BOSSIER	LA			
LA9990264-000	JORDAN MIMS III	CORNERSTONE NATURAL GAS COMPANY	5/11/1990	BOSSIER	LA	965	115	511011
LA9990258-000	JORETTA ROBINSON	CORNERSTONE NATURAL GAS COMPANY	1/5/1990	BOSSIER	LA	958	508	506590
LA9990433-000	JOSEPH L HODGES ET AL	UNITED GAS PIPE LINE CO	7/6/1956	BOSSIER	LA	264	406	110514
LA9990991-000	JUANITA BIGGS JOLLY	CHESAPEAKE ENERGY MARKETING, INC.	12/17/2004	BOSSIER	LA	C1343	190	838883
LA9990972-000	JULIA E MCCORMICK & JAMES H JONES & DIXIE ALFORD JONES	CHESAPEAKE ENERGY MARKETING, INC.	10/26/2004	BOSSIER	LA	1329	242	825481
LA9990955-000	KELLY DIANE TOOKE KELLY HENDERSON	CHESAPEAKE ENERGY MARKETING, INC.	9/22/1988	BOSSIER	LA	1329	137	825429
LA9990663-000	KEVIN DALE BARNES	CHESAPEAKE OPERATING INC.	5/12/2006	BOSSIER	LA	C1384	117	879155
LA9990962-000	KORAN BAPTIST CHURCH INC	CHESAPEAKE ENERGY MARKETING, INC.	12/19/2004	BOSSIER	LA	1329	168	825436
LA9990965-000	L C WILLIAMS & ESSIE WILLIAMS	CHESAPEAKE ENERGY MARKETING, INC.	12/13/2004	BOSSIER	LA	C1329	228	825477
LA9990352-001	LAURA JONES	CORNERSTONE NATURAL GAS COMPANY	6/13/1990	BOSSIER	LA	965	96	511006
LA9990351-000	LAWRENCE & COMPANY INC	CORNERSTONE NATURAL GAS COMPANY	2/27/1990	BOSSIER	LA	958	590	506618
LA9990662-000	LAWRENCE H & JOYCE Q WALKER	CHESAPEAKE OPERATING INC	5/12/2006	BOSSIER	LA	C1384	113	879154
LA9990367-002	LAWRENCE S HOBODY	UNITED GAS PIPE LINE CO	10/18/1939	BOSSIER	LA	143	391	32846

LA9991004-000	LISA JUNE READHIMER GARRETT & DARRYL D GARRETT	CHESAPEAKE ENERGY MARKETING, INC.	11/30/2004	BOSSIER	LA	1329	273	825489
LA9990348-000	LORRAINE SANDERS WINFREY	CORNERSTONE NATURAL GAS COMPANY	6/7/1990	BOSSIER	LA	964	451	510630
LA9990999-000	LOUISE MARSHALL WOODS AN HEIR OF THE WILL AND THEO MORRIS ESTATE	CHESAPEAKE ENERGY MARKETING, INC.	10/26/2004	BOSSIER	LA	C1336	173	831574
LA9990270-000	LUCILLE BOGAN URBAS	CORNERSTONE NATURAL GAS COMPANY	4/3/1990	BOSSIER	LA	958	496	506587
LA9990306-000	MARCI MCLEMORE	CORNERSTONE NATURAL GAS COMPANY	5/14/1990	BOSSIER	LA	958	539	506600
LA9990302-000	MARGUERITE S FORD	CORNERSTONE NATURAL GAS COMPANY	6/25/1990	BOSSIER	LA	964	457	510632
LA9990255-000	MARIANNE HAMITER WILLIAMS	GREYSTONE PETROLEUM LLC	4/1/2004	BOSSIER	LA	C1310	26	806187
LA9990982-000	MARIANNE HAMITER WILLIAMS	CHESAPEAKE ENERGY MARKETING, INC.	3/2/2005	BOSSIER	LA	C1336	115	831563
LA9990307-000	MARIE RIGGINS	CORNERSTONE NATURAL GAS COMPANY	5/23/1990	BOSSIER	LA	958	536	506599
LA9990267-000	MARILYN HALL HARRIS	CORNERSTONE NATURAL GAS COMPANY	5/29/1990	BOSSIER	LA	965	103	511008
LA9990664-000	MARION CASS GAIENNE RAMSEL	CHESAPEAKE ENERGY MARKETING INC	5/12/2006	BOSSIER	LA	C1384	101	879151
LA9991003-000	MARK L MONTGOMERY LLC	CHESAPEAKE ENERGY MARKETING, INC.	12/8/2004	BOSSIER	LA	1329	294	825494
LA9990988-000	MARTIN TIMBER COMPANY LLC & JANE COLVIN HUBBARD & GUS W COLVIN JR & PATTY COLVIN HALL	CHESAPEAKE ENERGY MARKETING, INC.	5/6/2005	BOSSIER	LA	1343	184	838882
LA9991005-000	MARTIN TIMBER COMPANY LLC	CHESAPEAKE ENERGY MARKETING, INC.	5/6/2005	BOSSIER	LA	1343	174	838880
LA9990269-000	MARY EMMA MIMS	CORNERSTONE NATURAL GAS COMPANY	4/6/1990	BOSSIER	LA	958	500	506588
LA9990288-000	MARY ETTA HALL	CORNERSTONE NATURAL GAS COMPANY	5/2/1990	BOSSIER	LA	958	440	506573
LA9990404-000	MARY WEBB & ANNIE DELL ROBERSON & JOSEPH ROBERSON & TOMMIE BURKS & ELNORA ROBINSON	UNITED GAS PIPE LINE CO	1/19/1940	BOSSIER	LA	143	525	33360

LA9990403-000	MATTIE WEBB & LITTLE FORD & ANN HILL & ALEX LAWSON & TAFT MILLER & ADDIE LEE ROBERSON & MOZELL COOPER ROBERSON & AARON PARISH & CLARENCE PARISH & ALICE LAWSON & LIZZIE PARISH & NAOMI DURHAM	UNITED GAS PIPE LINE CO	10/19/1939	BOSSIER	LA	143	420	32908
LA9990322-000	MATTIE WEBB, ET AL	UNITED GAS PIPE LINE COMPANY	1/17/1940	BOSSIER	LA	143	521	
LA9990995-000	MERCY BUTCHER AN HEIR OF THE WILL AND THEO MORRIS ESTATE	CHESAPEAKE ENERGY MARKETING, INC.	10/20/2004	BOSSIER	LA	C1336	157	831570
LA9990293-000	MICHAEL WAYNE HALLEMAN	CORNERSTONE NATURAL GAS COMPANY	6/1/1990	BOSSIER	LA	958	616	506626
LA9990378-000	MILTON F SMITH	UNITED GAS PIPE LINE CO	9/25/1939	BOSSIER	LA	143	333	32660
LA9990352-006	MINNIE LEE RUSSELL	CORNERSTONE NATURAL GAS COMPANY	3/19/1990	BOSSIER	LA	958	584	506616
LA9990364-000	MOSE BROWN	UNITED GAS PIPE LINE CO	10/6/1939	BOSSIER	LA	143	351	32734
LA9994140-000	MRS AUDREY MURFF SHEPPARD	UNITED GAS PIPE LINE CO	10/4/1939	BOSSIER	LA	143	404	
LA9990362-000	MRS C W BIGGS & MRS ANNIE MAY YARBROUGH & ABNEY D SCANLAN INDIVIDUALLY AND ATTORNEY-IN-FACT FOR THE HEIRS OF MRS ADELAIDE A SCANLAND & HEIRS OF J M SCANLAND	UNITED GAS PIPE LINE CO	10/5/1939	BOSSIER	LA	143	349	32733
LA9990363-002	MRS C W BODENHEIMER	UNITED GAS PIPE LINE CO	10/12/1939	BOSSIER	LA	143	374	32780
LA9990376-000	MRS E N MORESI	UNITED GAS PIPE LINE CO	10/18/1939	BOSSIER	LA	143	389	32811
LA9990368-000	MRS HATTIE D GRIFFITH & MRS ELMIRA C DICKSON & M E DODD FOUNDATION INC	UNITED GAS PIPE LINE CO	10/18/1939	BOSSIER	LA	143	381	32807
LA9990367-001	MRS W C HAMITER & MRS C E BOWEN & ANNA HOBODY	UNITED GAS PIPE LINE CO	10/9/1939	BOSSIER	LA	143	366	32755
LA9990320-000	MRS. C.D. HUNTER	UNITED GAS PIPE LINE COMPANY	10/25/1946	BOSSIER	LA	172	618	
LA9990316-000	NADIE TERRELL	CORNERSTONE NATURAL GAS CO	1/2/1990	BOSSIER	LA		504	506589
LA9990313-000	NEANETTER SANDERS CLOUTIER	CORNERSTONE NATURAL GAS COMPANY	2/17/1990	BOSSIER	LA	958	517	506593
LA9990369-001	NELL E DOLES & MARY E ROSS	UNITED GAS PIPE LINE CO	10/19/1939	BOSSIER	LA	143	379	32806

LA9990273-000	NORA MAE BROWN MIMS	CORNERSTONE NATURAL GAS COMPANY	4/6/1990	BOSSIER	LA	958	484	506584
LA9990303-000	O'DEA SANDERS	CORNERSTONE NATURAL GAS COMPANY	5/12/1990	BOSSIER	LA	964	454	510631
LA9991000-000	ODESSA ROBERSON AN HEIR OF THE WILL AND THEO MORRIS ESTATE	CHESAPEAKE ENERGY MARKETING, INC.	5/2/2005	BOSSIER	LA	C1343	180	838881
LA9990633-000	OLDE OAK DEVELOPMENT, LLC	CHESAPEAKE OPERATING INC.	9/20/2005	BOSSIER	LA	1357		853583
LA9990371-000	P M ELSTON	UNITED GAS PIPE LINE CO	10/3/1939	BOSSIER	LA	143	357	32738
LA9990249-000	PAUL J SCHAFFNER	GREYSTONE PETROLEUM LLC	6/11/2002	BOSSIER	LA	1260	537	750147
LA9990294-000	PAUL, JOHN & THOMAS ROGERS	CORNERSTONE NATURAL GAS CO	2/7/1990	BOSSIER	LA	1059	839	580417
LA9990680-000	PEGGY ANN & REX LLOYD GILLHAM	CHESAPEAKE OPERATING INC	5/12/2006	BOSSIER	LA			
LA9990986-000	PEGGY PONDER WHITE	CHESAPEAKE ENERGY MARKETING, INC.	12/20/2004	BOSSIER	LA	1336	105	831561
LA9991006-000	PEGGY PONDER WHITE	CHESAPEAKE ENERGY MARKETING, INC.	12/20/2004	BOSSIER	LA	C1336	127	831565
LA9990352-003	PERLIE MAE JOHNSON FORD	CORNERSTONE NATURAL GAS COMPANY	7/28/1990	BOSSIER	LA	964	466	510635
LA9990365-003	PETER BROWN	UNITED GAS PIPE LINE CO	10/27/1939	BOSSIER	LA	143	413	32880
LA9990365-004	PHILIP BROWN	UNITED GAS PIPE LINE CO	10/31/1939	BOSSIER	LA	143	415	32881
LA9990998-000	PHILLIP MORRIS AN HEIR OF THE WILL AND THEO MORRIS ESTATE	CHESAPEAKE ENERGY MARKETING, INC.	10/22/2004	BOSSIER	LA	C1336	169	831573
LA9990359-000	R C THOMPSON	UNITED GAS PIPE LINE CO	10/10/1939	BOSSIER	LA	143	369	32757
LA9990383-000	R V KERR	UNITED GAS PIPE LINE CO	10/4/1939	BOSSIER	LA	143	323	32610
LA9990402-000	R V KERR	UNITED GAS PIPE LINE CO	11/16/1939	BOSSIER	LA	143	458	33011
LA9990285-000	RALSTON L MIMS JR	CORNERSTONE NATURAL GAS COMPANY	2/8/1990	BOSSIER	LA	959	155	507454
LA9990661-000	RAYMOND D & NELDA S GERMANY	CHESAPEAKE OPERATING, INC.	5/12/2006	BOSSIER	LA	C1384	109	879153
LA9990959-000	RICHARD LYNN HALL & ROXANN A HADWIN HALL	CHESAPEAKE ENERGY MARKETING, INC.	10/10/2004	BOSSIER	LA	1329	154	825433

LA9990352-005	ROBERT EDWARD TAYLOR	CORNERSTONE NATURAL GAS COMPANY	3/3/1990	BOSSIER	LA	958	587	506617
LA9990354-000	ROBERT LEE SCHEIDLER & KYONG SUN KIM SCHEIDLER	CORNERSTONE NATURAL GAS COMPANY	1/4/1990	BOSSIER	LA	958	569	506611
LA9990679-000	ROBERT W & GWENDA J ROE	CHESAPEAKE OPERATING INC	5/12/2006	BOSSIER	LA			
LA9990989-000	RODNEY RAY READHIMER	CHESAPEAKE ENERGY MARKETING, INC.	12/17/2004	BOSSIER	LA	1329	269	825488
LA9990377-000	ROGER E WHELESS & J W MURRAY & MRS ALICE A MEYER	UNITED GAS PIPE LINE CO	10/9/1939	BOSSIER	LA	143	416	32882
LA9990634-000	ROOS PROPERTIES, LLC	CHESAPEAKE OPERATING INC.	2/15/2005	BOSSIER	LA	1331		826863
LA9990997-000	RUBY BRUTON AN HEIR OF THE WILL AND THEO MORRIS ESTATE	CHESAPEAKE ENERGY MARKETING, INC.	10/27/2004	BOSSIER	LA	C1336	165	831572
LA9990253-000	RUBY SIMPSON CLAYTON	GREYSTONE PETROLEUM LLC	6/5/2002	BOSSIER	LA	1279	15	770176
LA9990397-000	S L HEROLD ET AL	UNITED GAS PIPE LINE CO	2/13/1940	BOSSIER	LA	143	626	33696
LA9990979-000	SANDRA S BROOKS	CHESAPEAKE ENERGY MARKETING, INC.	11/17/2004	BOSSIER	LA	1329	266	825487
LA9990992-000	SCOTT J PEAVY, IND & TRUSTEE OF MARGARET JORDAN PEAVY TRUST; WILLIAM A PEAVY, III, IND & TRUSTEE OF MARGARET JORDAN PEAVY TRUST	CHESAPEAKE ENERGY MARKETING, INC.	12/15/2004	BOSSIER	LA	C1329	280	825491
LA9990674-000	SIMON WEISS PROPERTIES, LLC	CHESAPEAKE OPERATING INC	5/12/2006	BOSSIER	LA			
LA9990296-000	STANLEY RUSSELL TAYLOR	CORNERSTONE NATURAL GAS CO	2/24/1990	BOSSIER	LA	958	556	506605
LA9990260-000	SYLVIA WRIGHT INDIVIDUALLY AND USUGRUCTUARY OF ESTATE OF WILLIAM C WRIGHT & RONALD D WRIGHT	CORNERSTONE NATURAL GAS COMPANY	3/14/1990	BOSSIER	LA	959	159	507455
LA9990401-000	T H LAWRENCE	UNITED GAS PIPE LINE CO	10/19/1939	BOSSIER	LA	143	411	32879
LA9990256-000	TARGET RESOURCES, INC.	GREYSTONE PETROLEUM LLC	4/1/2004	BOSSIER	LA	C1310	26	806188
LA9990985-000	TARGET RESOURCES, INC.	CHESAPEAKE ENERGY MARKETING, INC.	12/20/2004	BOSSIER	LA	1336	100	831560
LA9990987-000	TARGET RESOURCES, INC.	CHESAPEAKE ENERGY MARKETING, INC.	12/20/2004	BOSSIER	LA	1336	121	831564
LA9990645-000	TEDDY R & JO LYNN L TODD	CHESAPEAKE OPERATING INC.	8/14/2004	BOSSIER	LA	1318		815382
LA9990978-000	THE BALISTINE W HOPKINS REVOCABLE LIVING TRUST	CHESAPEAKE ENERGY MARKETING, INC.	11/18/2004	BOSSIER	LA	1329	262	825486
LA9990627-000	TIMOTHY E HAMBLIN	CHESAPEAKE OPERATING INC.	4/10/2005	BOSSIER	LA	1350		846604

LA9990308-000	TINY B WYNNE	CORNERSTONE NATURAL GAS COMPANY	2/16/1990	BOSSIER	LA	958	533	506598
LA9990405-000	UNITED GAS PIPE LINE COMPANY	ESTATE OF J Y SYNDER	11/10/1939	BOSSIER	LA	143	460	33012
LA9990411-000	UNITED GAS PIPE LINE COMPANY	CHARLIE F SKANNAL	11/16/1972	BOSSIER	LA	492	246	248446
LA9990425-000	UNITED GAS PIPE LINE COMPANY	E FOSTER SCHULER, ET AL	8/27/1958	BOSSIER	LA	283	638	124520
LA9990441-000	UNITED GAS PIPE LINE COMPANY	E F SCHULER ET AL	5/8/1952	BOSSIER	LA	233	410	85826
LA9990442-000	UNITED GAS PIPE LINE COMPANY	SYBIL MCDADE, ET AL	5/8/1952	BOSSIER	LA	233	411	85827
LA9990384-000	UNITED GAS PIPELINE COMPANY	CHARLIE F SKANNAL	8/26/1958	BOSSIER	LA	294	76	124383
LA9990247-000	VICTORINO R & PEGGY SUE LARA	GREYSTONE PETROLEUM LLC	6/18/2002	BOSSIER	LA	1260	540	750148
LA9990311-000	VIRGIE LEE SANDERS YOUNG	CORNERSTONE NATURAL GAS COMPANY	2/15/1990	BOSSIER	LA	958	524	506595
LA9990282-000	VIRGINIA BOGAN GILMORE	CORNERSTONE NATURAL GAS COMPANY	4/20/1990	BOSSIER	LA	958	448	506575
LA9990280-000	W C SMITH JR	CORNERSTONE NATURAL GAS COMPANY	4/1/1990	BOSSIER	LA	958	456	506577
LA9990996-000	WALTER B MORRIS AN HEIR OF THE WILL AND THEO MORRIS ESTATE	CHESAPEAKE ENERGY MARKETING, INC.	10/21/2004	BOSSIER	LA	C1336	161	831571
LA9990967-000	WAYNE HAYWARD	CHESAPEAKE ENERGY MARKETING, INC.	11/29/2004	BOSSIER	LA	1329	222	825475
LA9990611-000	WESLEY D & MAUREEN MCKISSACK	CHESAPEAKE OPERATING INC.	11/5/2004	BOSSIER	LA	1331		826851
LA9990612-000	WESLEY D & MAUREEN MCKISSACK	CHESAPEAKE OPERATING INC.	11/5/2004	BOSSIER	LA	1331		826849
LA9990981-000	WEYERHAEUSER COMPANY	CHESAPEAKE ENERGY MARKETING, INC.	3/28/2005	BOSSIER	LA	1336	138	831567
LA9990361-000	WILL MORIS	UNITED GAS PIPE LINE CO	10/6/1939	BOSSIER	LA	143	352	32735
LA9990268-000	WILLA MAE SUTTER LOGAN AKA WILLA MAE SUDDUTH	CORNERSTONE NATURAL GAS COMPANY	5/21/1990	BOSSIER	LA	965	99	511007
LA9990317-000	WILLAMETTE INDUSTRIES, INC.	CORNERSTONE NATURAL GAS CO	6/14/1990	BOSSIER	LA		472	510637
LA9990957-000	WILLIAM G LOWERY & SHARON STERLING LOWERY	CHESAPEAKE ENERGY MARKETING, INC.	10/15/2004	BOSSIER	LA	1329	146	825431
LA9990353-000	WILLIAM H HUGHART & DOROTHY POWERS HUGHART	CORNERSTONE NATURAL GAS COMPANY	1/5/1990	BOSSIER	LA	958	575	506613
LA9990251-000	WILLIAM H. HUGHART, ET AL	GREYSTONE PETROLEUM, LLC	6/10/2002	BOSSIER	LA	1260	534	750146
LA9990250-000	WILLIAM R AND SYLVIA B MAGEE	GREYSTONE PETROLEUM LLC	9/19/2002	BOSSIER	LA	1269	698	759290

LA9990958-000	WILLIAM RAY ARRANT & SHERYL MARIE STRAUB ARRANT	CHESAPEAKE ENERGY MARKETING, INC.	10/10/2004	BOSSIER	LA	1329	150	825432
LA9990352-007	WILLIE BELL HARDY	CORNERSTONE NATURAL GAS COMPANY	4/9/1990	BOSSIER	LA	958	581	506615
LA9991001-000	WILLIE GENE MARSHALL & SHARON M WRIGHT & DONALD RAY MARSHALL	CHESAPEAKE ENERGY MARKETING, INC.	10/27/2004	BOSSIER	LA	1329	286	825492
LA9990310-000	ZENOBIA SANDERS ORR	CORNERSTONE NATURAL GAS COMPANY	2/16/1990	BOSSIER	LA	958	527	506596

END OF EXHIBIT A-3

- (c) all wells located upon the Leases or Units or otherwise used in connection with the ownership or operation of the Assets, whether plugged and abandoned, including the wells set forth in Exhibit A-2 (the “**Wells**” and together with the Oil and Gas Interests, the “**Properties**”);
- (d) all easements, surface leases, permits, licenses, servitudes, rights of way, surface use agreements and all other rights and appurtenances located on or primarily used in connection with the Properties (the “**Surface Rights**”);
- (e) all tangible personal, movable and mixed property, equipment, machinery, fixtures and improvements, including all injection wells, salt water disposal facilities, well heads, well equipment, casing, manifolds, tubing, pumps, motors, gauges, valves, heaters, treaters, water lines, vessels, tanks, boilers, separators, treating equipment, compressors, pipelines, flow lines, gathering systems, processing and separation facilities, pads, structures, other equipment, automation systems including meters and related telemetry on wells, power lines, telephone and communication lines and other appurtenances, network equipment and associated peripherals, radio and telephone equipment (including cellular telephones), SCADA, telemetry and other measurement technology, and well communication devices, in each case, to the extent located on or primarily used in connection with the ownership or operation of the other Assets;
- (f) all contracts and agreements to the extent which all or any portion of the Properties or Surface Rights is subject, including the contracts and agreements set forth in Exhibit A-3 (the “**Contracts**”);
- (g) all Hydrocarbons in, on, under or produced from or allocated to any of the Properties from and after the Effective Time, and all Hydrocarbons for which Assignor receives an adjustment to the Purchase Price under the Agreement, and in each case, the proceeds thereof;
- (h) all rights, benefits and obligations arising from or in connection with any Imbalances attributable to of the Properties, existing as of or arising after the Effective Time;
- (i) the Records; and
- (j) except to the extent related to the Excluded Assets or Specified Obligations, any rights, claims, causes, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Assignor relating to the Assets described in items (a)-(i) above.

It is the intent of Assignor to convey to Assignee all of Assignor’s right, title and interest in the Assets, from and after the Effective Time, regardless of whether or not the Assets have been correctly and fully described or identified herein, including but not limited to omission of any lease or leases, errors in description, any incorrect or misspelled names or any incorrectly transcribed or incorrect recording references. Upon request by Assignee, Assignor agrees to execute and deliver, or cause to be executed and delivered, from time to time such further instruments of conveyance and transfer, and shall take such other actions as Assignee may reasonably request, to convey and

deliver the Assets to Assignee and to accomplish the orderly transfer of the Assets to Assignee in the manner contemplated by the Purchase Agreement.

TO HAVE AND TO HOLD, subject to the terms, exceptions and other provisions herein stated, the Assets, together with all rights, privileges and appurtenances thereto, unto Assignee and its successors and assigns forever.

1.2 Excluded Assets. There is expressly excluded from this Assignment, and Assignor expressly excepts and reserves to itself, the following assets (the “**Excluded Assets**”): (a) all of Assignor’s corporate minute books and corporate financial records that relate to Assignor’s business generally; (b) all trade credits, all accounts, receivables, if any, and all other proceeds, income or revenues attributable to the Assets with respect to any period of time prior to the Effective Time; (c) all claims, causes of action, manufacturers’ and contractors’ warranties and other rights of Assignor arising under or with respect to (i) any Assets that are attributable to periods of time prior to the Effective Time including claims for adjustments or refunds, and (ii) any other Excluded Assets; (d) all Hydrocarbons produced from the Assets with respect to all periods prior to the Effective Time, other than those Hydrocarbons produced from or allocated to the Assets and in storage or existing in stock tanks, pipelines or plants (including inventory) as of the Effective Time for which the Purchase Price under the Agreement was adjusted upward at Closing; (e) all amounts held by Assignor in suspense that are attributable to sales of Hydrocarbons produced from the Assets, as applicable (including any amounts subject to escheat obligations pursuant to applicable Law); (f) all personal computers, network equipment and associated peripherals; (g) all drilling rigs, and all trucks, cars and vehicles; (h) all master services agreements or similar contracts; (i) all easements, rights-of-way, surface rights, equipment, pipe and inventory (in each case, whether located on or off the lands covered by the Leases or lands pooled or unitized therewith) not currently being used or held for use in connection with the ownership or operation of the Assets (other than the Surface Rights and any surface rights granted under any of the Leases); (j) all of Assignor’s proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property; (k) legal records and legal files of Assignor, including all work product of and attorney-client communications with Assignor’s legal counsel or any other documents or instruments that may be protected by an attorney-client privilege or the attorney work-product doctrine, but excluding any title opinions covering the Oil and Gas Interests; (l) all documents and instruments and other data or information that cannot be disclosed to Assignee as a result of confidentiality arrangements under agreements with third parties; (m) all audit rights arising under any of the 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; (n) all well data and geophysical and other seismic and related technical data and information relating to the Assets; (o) all oil and gas fee interests or mineral fee interests of Assignor and its Affiliates other than any directly relating to the Oil & Gas Interests or the lands covered thereby; (p) all claims of Assignor or any of its Affiliates for refunds of, rights to receive funds from any Governmental Authorities, or loss carry forwards or credits with respect to (i) any and all taxes imposed by any applicable Law on, or allocable to, Assignor or any of its Affiliates, or any combined, unitary or consolidated group of which any of the foregoing is or was a member, (ii) any taxes imposed on or with respect to the ownership or operation of the Excluded Assets, and (iii) any and all other taxes imposed on or with respect to the ownership or operation of the Assets for any tax period (or portion thereof) ending before the Effective Time and (q) any Contract that contains any firm transportation obligation, minimum volume commitment or similar obligation.

II. DISCLAIMERS

2.1 Special Warranty of Title. Assignor hereby agrees to warrant and defend title to the Wells shown on Exhibit A-2, to the extent of the interests shown on Exhibit A-2, 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 Assignor or its Affiliates, but not otherwise. Except as set forth in the preceding sentence of this Section 2.1, Assignor makes no warranty or representation, express, implied, statutory or otherwise, with respect to Assignor's title to any of the Assets.

2.2 Subrogation. Assignor hereby assigns to Assignee all rights, claims and causes of action under title warranties given or made by Assignor's predecessors in interest with respect to the Assets, and Assignee is specifically subrogated to all rights which Assignor may have against such predecessors in interest, in each case, to the extent Assignor may legally transfer such rights and grant such subrogation.

2.3 Disclaimers.

- (a) **EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY SET FORTH IN SECTION 12 OF THE AGREEMENT OR IN THIS ASSIGNMENT, ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND ASSIGNOR EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE OR ANY ASSIGNEE REPRESENTATIVE (INCLUDING ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ASSIGNEE). WITHOUT LIMITING THE GENERALITY OF THE FOREGOING PROVISIONS AND SUBJECT TO THE EXCEPTIONS SET FORTH THEREIN, ASSIGNOR EXPRESSLY DISCLAIMS 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 PROPERTIES, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE PROPERTIES, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE PROPERTIES, (VI) THE MAINTENANCE, STATE OF REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION, MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY OR ON BEHALF OF ASSIGNOR OR THIRD PARTIES WITH RESPECT TO THE ASSETS, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO ASSIGNEE OR ANY BUYER REPRESENTATIVE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT OR ANY**

DISCUSSION OR PRESENTATION RELATING THERETO AND (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT. ASSIGNOR FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS OR REDHIBITORY DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY ASSETS, RIGHTS OF A PURCHASER UNDER LAW TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE OR CONSIDERATION, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT (A) ASSIGNEE SHALL BE DEEMED TO BE ACQUIRING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS," "WHERE IS" AND WITH ALL FAULTS AND DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND (B) ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS ASSIGNEE DEEMS APPROPRIATE. ASSIGNOR HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF HAZARDOUS MATERIALS OR OTHER MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS ASSIGNMENT, IN THE AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY.

- (b) THE PARTIES CERTIFY THAT THEY ARE NOT "CONSUMERS" WITHIN THE MEANING OF THE TEXAS DECEPTIVE TRADE PRACTICES (CONSUMER PROTECTION) ACT, SUBCHAPTER E OF CHAPTER 17, SECTIONS 17.41, ET SEQ. OF THE TEXAS BUSINESS AND COMMERCE CODE, AS AMENDED ("DTPA"). THE PARTIES COVENANT, FOR THEMSELVES AND FOR AND ON BEHALF OF ANY SUCCESSOR OR ASSIGNEE, THAT IF THE DTPA IS APPLICABLE TO THIS ASSIGNMENT: (1) THE PARTIES ARE "BUSINESS CONSUMERS" AS THAT TERM IS DEFINED IN THE DTPA; (2) EACH PARTY HEREBY WAIVES AND RELEASES ALL OF ITS RIGHTS AND REMEDIES THEREUNDER AS APPLICABLE TO THE OTHER PARTY AND ITS SUCCESSORS AND ASSIGNS; AND (3) EACH PARTY SHALL DEFEND AND INDEMNIFY THE OTHER PARTY FROM AND AGAINST ANY AND ALL CLAIMS OF OR BY THE INDEMNIFYING PARTY OR ANY OF ITS SUCCESSORS OR ASSIGNS OR ANY OF ITS OR THEIR AFFILIATES BASED IN WHOLE OR IN PART ON THE DTPA AND ARISING OUT OF OR IN CONNECTION WITH THIS ASSIGNMENT.
- (c) ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND

WARRANTIES CONTAINED IN THIS SECTION 2.3 ARE CONSPICUOUS DISCLAIMERS FOR THE PURPOSE OF ANY APPLICABLE LAW.

**III.
MISCELLANEOUS**

3.1 Purchase and Sale Agreement; Sale Order. This Assignment is expressly made subject to the terms of that certain Purchase and Sale Agreement between Assignor and Assignee dated August [___], 2019 (the “*Agreement*”) and that certain Sale Order dated [_____] a copy of which is attached hereto as Exhibit B (the “*Sale Order*”). The delivery of this Assignment shall not affect, enlarge, diminish, or otherwise impair any of the representations, warranties, covenants, conditions, indemnities, terms, or provisions of the Agreement or the Sale Order. The representations, warranties, covenants, conditions, indemnities, terms, and provisions contained in the Agreement or the Sale Order shall not be merged with or into this Assignment but shall survive the execution and delivery of this Assignment to the extent, and in the manner, set forth in the Agreement and the Sale Order, respectively. In the event that any provision of this Assignment is construed to conflict with any provision of the Agreement, the provisions of the Agreement shall be deemed controlling to the extent of such conflict. Any capitalized terms used but not defined in this Assignment shall have the meanings ascribed to those terms in the Agreement.

3.2 Successors and Assigns. The provisions of this Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

3.3 **GOVERNING LAW. EXCEPT TO THE EXTENT THE MANDATORY PROVISIONS OF THE BANKRUPTCY CODE APPLY, THIS ASSIGNMENT AND THE LEGAL RELATIONS BETWEEN ASSIGNOR AND ASSIGNEE HEREUNDER SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION.**

3.4 Exhibits; Recordation. All exhibits attached hereto are hereby made a part hereof and incorporated herein by this reference. References in such exhibits to instruments on file in the public records are notice of such instruments for all purposes. Unless provided otherwise, all recording references in such exhibits are to the appropriate records of the counties in which the Assets are located. To facilitate recordation, there may be omitted from the exhibits to this Assignment in certain counterparts descriptions of property located in recording jurisdictions other than the jurisdiction in which the particular counterpart is to be filed or recorded.

3.5 Captions. The captions and article and section numbers in this Assignment are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Assignment. References in this Assignment to articles and sections are to articles and sections of this Assignment unless otherwise specified.

3.6 Counterparts. This Assignment may be executed in one or more originals, but all of which together shall constitute one and the same instrument. Any signature delivered by a Party by facsimile or other electronic transmission shall be deemed an original signature hereto for all purposes.

IN WITNESS WHEREOF, this Assignment has been executed by each of the Parties as of the dates of the acknowledgments below but shall be effective for all purposes as of the Effective Time.

ASSIGNOR:

WEATHERLY OIL & GAS, LLC

By: _____
Dan W. Johnson, CEO

Witnesses:

ACKNOWLEDGEMENT

STATE OF _____ §
COUNTY OF _____ §

This Assignment was acknowledged before me on this ____ day of August, 2019, by Dan W. Johnson, as CEO of **Weatherly Oil & Gas, LLC**, a Delaware limited liability company, on behalf of said company.

Printed Name: _____

Notary Public for the State of _____
County of _____
Commission No: _____

My commission expires: _____

STATE OF _____ §
COUNTY OF _____ §

On this __ day of August, 2019, before me, the undersigned authority, personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, in the capacity therein stated and acknowledged that he/she executed the same as his/her free act and deed.

Printed Name: _____

Notary Public for the State of _____

County of _____

Commission No: _____

My commission expires: _____

STATE OF _____ §

COUNTY OF _____ §

On this __ day of August, 2019, before me, the undersigned authority, personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, in the capacity therein stated and acknowledged that he/she executed the same as his/her free act and deed.

Printed Name: _____

Notary Public for the State of _____

County of _____

Commission No: _____

My commission expires: _____

IN WITNESS WHEREOF, this Assignment has been executed by each of the Parties as of the dates of the acknowledgments below but shall be effective for all purposes as of the Effective Time.

ASSIGNEES:

Aethon United BR LP

By: Aethon United BR GP LLC,
its general partner

By: _____

Name: _____

Title: _____

Witnesses:

PEO Haynesville Holdco, LLC

By: _____

Name: _____

Title: _____

Witnesses:

ACKNOWLEDGEMENTS

STATE OF TEXAS §
COUNTY OF _____ §

This Assignment was acknowledged before me on this ___ day of _____, 2019, by _____, as _____ of Aethon United BR GP LLC, as General Partner of **Aethon United BR LP**, a Delaware limited partnership, on behalf of said limited partnership.

Printed Name: _____

Notary Public for the State of _____
County of _____
Commission No: _____

My commission expires: _____

STATE OF _____ §
COUNTY OF _____ §

On this ___ day of August, 2019, before me, the undersigned authority, personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, in the capacity therein stated and acknowledged that he/she executed the same as his/her free act and deed.

Printed Name: _____

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County of _____
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My commission expires: _____

STATE OF _____ §
COUNTY OF _____ §

On this ___ day of August, 2019, before me, the undersigned authority, personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, in the capacity therein stated and acknowledged that he/she executed the same as his/her free act and deed.

Printed Name: _____

Notary Public for the State of _____
County of _____
Commission No: _____

My commission expires: _____

Schedule 12(e)

**Attached to and made part of that certain Purchase and Sale Agreement
by and between Weatherly Oil & Gas, LLC, as Seller, and
Aethon United BR LP and PEO Haynesville Holdco, LLC, as Buyers**

Consents to Assign & Preferential Purchase Rights**Consents to Assign:**

Lease Number	Lessor	Lessee	Lease Date
LA9260333-000	CHESAPEAKE ROYALTY, L.L.C.	CHESAPEAKE LOUISIANA L P	7/26/2008
LA9260337-000	CHESAPEAKE ROYALTY, L.L.C.	CHESAPEAKE LOUISIANA L P	7/26/2008
LA9260338-000	CHESAPEAKE ROYALTY, L.L.C.	CHESAPEAKE LOUISIANA L P	7/26/2008
LA9260001-005	KATHARINE P HAYNE LABOUISSSE TR	SLIGO HOLDINGS LLC	6/6/2002
LA9260158-001	MARTIN TIMBER COMPANY LLC	CLARK ENERGY COMPANY INC	9/21/1993
LA9260001-004	PAMELA RUST LONG TRUST	SLIGO HOLDINGS LLC	6/6/2002
LA9260001-015	SEYMOUR WEISS TR, ET AL	SLIGO HOLDINGS LLC	6/6/2002
LA9260189-000	STATE OF LOUISIANA - 10415	PZL PRODUCING CO.	9/8/1982
LA9260193-000	STATE OF LOUISIANA - 249	TRIANGLE DRILLING COMPANY	4/15/1930

Preferential Rights to Purchase:

None.