

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

URSA PICEANCE HOLDINGS LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 20-12065 (BLS)

(Jointly Administered)

**JOINT CHAPTER 11 PLAN OF REORGANIZATION  
FOR URSA PICEANCE HOLDINGS LLC AND ITS DEBTOR AFFILIATES**

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**Dated: November 25, 2020**

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<sup>1</sup> The Debtors in these chapter 11 cases, together with the last four digits of each Debtors' federal tax identification number, are as follows: Ursa Piceance Holdings LLC (6607), Ursa Piceance LLC (7496), Ursa Operating Company LLC (0982), and Ursa Piceance Pipeline LLC (5095). The Debtors' service address is 950 17th St, Suite 1900, Denver, CO 80202.

**TABLE OF CONTENTS**

**I. DEFINED TERMS AND RULES OF INTERPRETATION .....1**

**A.** Defined Terms .....1

**B.** Rules of Interpretation .....15

**C.** Computation of Time .....16

**D.** Reference to Monetary Figures .....16

**E.** Reference to the Debtors, the Reorganized Debtors, or the Wind-Down Debtors .....16

**F.** Controlling Document .....17

**II. ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS .....17**

**A.** Administrative Claims .....17

**B.** DIP Claims .....18

**C.** Professional Fee Claims .....19

**1.** Final Fee Applications and Payment of Professional Fee Claims .....19

**2.** Professional Fee Escrow Account .....19

**3.** Professional Fee Reserve Amount .....19

**4.** Post-Effective Date Fees and Expenses .....19

**D.** Priority Tax Claims .....20

**III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS .....20**

**A.** Classification of Claims and Interests .....20

**B.** Treatment of Claims and Interests .....21

**1.** Class 1 – Other Secured Claims .....21

**2.** Class 2 – Other Priority Claims .....22

**3.** Class 3 – RBL Secured Claims .....22

**4.** Class 4 – Term Loan Claims .....23

**5.** Class 5 – General Unsecured Claims .....23

**6.** Class 6 – Intercompany Claims .....24

**7.** Class 7 – Intercompany Interests .....24

**8.** Class 8 – Interests .....25

**C.** Special Provision Governing Unimpaired Claims .....25

**D.** Elimination of Vacant Classes .....25

**E.** Acceptance or Rejection of this Plan .....26

**1.** Presumed Acceptance of this Plan .....26

**2.** Voting Classes .....26

**3.** Deemed Rejection of this Plan .....26

**F.** Intercompany Interests .....26

<b>G.</b>	Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code .....	26
<b>H.</b>	Subordinated Claims .....	26
<b>IV.</b>	<b>MEANS FOR IMPLEMENTATION OF THIS PLAN .....</b>	<b>27</b>
<b>A.</b>	General Settlement of Claims and Interests .....	27
<b>B.</b>	Restructuring Transactions .....	27
<b>C.</b>	Cancellation of Existing Agreements and Interests .....	28
<b>D.</b>	Section 1146 Exemption .....	28
<b>E.</b>	The Equitization Restructuring .....	29
<b>1.</b>	Reorganized Debtors .....	29
<b>2.</b>	Sources of Plan Distributions .....	29
<b>3.</b>	Corporate Existence .....	30
<b>4.</b>	Vesting of Assets in the Reorganized Debtors .....	30
<b>5.</b>	Corporate Action .....	30
<b>6.</b>	New Organizational Documents .....	31
<b>7.</b>	Directors and Officers of the Reorganized Debtors .....	31
<b>8.</b>	Effectuating Documents; Further Transactions .....	32
<b>9.</b>	Retiree Benefits; Compensation and Benefit Programs .....	32
<b>10.</b>	Preservation of Causes of Action .....	32
<b>11.</b>	Closing the Chapter 11 Cases .....	33
<b>F.</b>	The Asset Sale Distribution .....	33
<b>1.</b>	Asset Sale .....	33
<b>2.</b>	Vesting of Assets in the Wind-Down Debtors .....	34
<b>3.</b>	Sources of Plan Distributions .....	34
<b>4.</b>	Wind-Down Debtors .....	34
<b>5.</b>	Plan Administrator .....	34
<b>6.</b>	Dissolution and Governing Bodies of the Debtors .....	35
<b>7.</b>	Release of Liens .....	35
<b>8.</b>	Corporate Action .....	36
<b>9.</b>	Effectuating Documents; Further Transactions .....	36
<b>10.</b>	Preservation of Causes of Action .....	37
<b>11.</b>	Closing the Chapter 11 Cases .....	37
<b>V.</b>	<b>TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES....</b>	<b>38</b>
<b>A.</b>	Assumption and Rejection of Executory Contracts and Unexpired Leases .....	38
<b>B.</b>	Indemnification Obligations .....	39
<b>C.</b>	Claims Based on Rejection of Executory Contracts or Unexpired Leases .....	39
<b>D.</b>	Cure of Defaults for Assumed Executory Contracts and Unexpired Leases .....	40

E.	Insurance Policies .....	41
F.	Reservation of Rights.....	41
G.	Nonoccurrence of Effective Date.....	41
H.	Employee Compensation and Benefits .....	41
	1. Compensation and Benefit Programs.....	41
	2. Workers' Compensation Programs .....	42
I.	Contracts and Leases Entered Into after the Petition Date .....	42
<b>VI.</b>	<b>PROVISIONS GOVERNING DISTRIBUTIONS.....</b>	<b>42</b>
A.	Timing and Calculation of Amounts to Be Distributed .....	42
B.	Disbursing Agent .....	43
C.	Rights and Powers of Disbursing Agent.....	43
	1. Powers of the Disbursing Agent .....	43
	2. Expenses Incurred On or After the Effective Date .....	43
D.	Delivery of Distributions and Undeliverable or Unclaimed Distributions .....	43
	1. Record Date for Distribution .....	43
	2. Delivery of Distributions in General.....	44
	3. Undeliverable Distributions and Unclaimed Property .....	44
E.	Manner of Payment.....	44
F.	Compliance with Tax Requirements.....	44
G.	Allocations .....	45
H.	No Postpetition Interest on Claims .....	45
I.	Foreign Currency Exchange Rate .....	45
J.	Setoffs and Recoupment .....	45
K.	Claims Paid or Payable by Third Parties .....	46
	1. Claims Paid by Third Parties .....	46
	2. Claims Payable by Third Parties.....	46
	3. Applicability of Insurance Policies .....	46
<b>VII.</b>	<b>THE PLAN ADMINISTRATOR .....</b>	<b>46</b>
A.	The Plan Administrator.....	47
	1. Plan Administrator Rights and Powers .....	47
	2. Compensation and Expenses of the Plan Administrator.....	47
	3. Wind-Down Budget .....	47
B.	Wind-Down.....	48
C.	Tax Returns.....	48
D.	Dissolution of the Wind-Down Debtors .....	48
<b>VIII.</b>	<b>PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS .....</b>	<b>49</b>
A.	Objections to Claims.....	49

B.	Objection Deadline .....	49
C.	Estimation of Claims.....	49
D.	No Distributions Pending Allowance .....	50
E.	Distributions After Allowance .....	50
F.	Reduction of Claims .....	50
G.	Adjustment to Claims or Interests without Objection.....	50
H.	Disallowance of Claims or Interests .....	51
<b>IX.</b>	<b>SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS .....</b>	<b>51</b>
A.	Discharge of Claims and Termination of Interests; Compromise and Settlement of Claims, Equity Interests, and Controversies.....	51
B.	Release of Liens.....	52
C.	Releases by the Debtors .....	52
D.	Releases by the Releasing Parties .....	53
E.	Exculpation .....	54
F.	Injunction .....	55
G.	Protections against Discriminatory Treatment.....	56
H.	Document Retention .....	56
I.	Reimbursement or Contribution .....	56
<b>X.</b>	<b>CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THIS PLAN.....</b>	<b>56</b>
A.	Conditions Precedent to the Effective Date .....	56
B.	Waiver of Conditions.....	57
C.	Effect of Failure of Conditions .....	58
D.	Substantial Consummation .....	58
<b>XI.</b>	<b>MODIFICATION, REVOCATION, OR WITHDRAWAL OF THIS PLAN .....</b>	<b>58</b>
A.	Modification and Amendments.....	58
B.	Effect of Confirmation on Modifications .....	58
C.	Revocation or Withdrawal of Plan.....	58
<b>XII.</b>	<b>RETENTION OF JURISDICTION.....</b>	<b>59</b>
<b>XIII.</b>	<b>MISCELLANEOUS PROVISIONS.....</b>	<b>61</b>
A.	Immediate Binding Effect.....	61
B.	Additional Documents .....	62
C.	Payment of Statutory Fees .....	62
D.	Statutory Committee and Cessation of Fee and Expense Payment .....	62
E.	[Reserved].....	62
F.	Reservation of Rights.....	62
G.	Successors and Assigns.....	62
H.	Notices .....	63
I.	Term of Injunctions or Stays.....	64
J.	Entire Agreement .....	64
K.	Exhibits and Annexes .....	64
L.	Nonseverability of Plan Provisions.....	64
M.	Votes Solicited in Good Faith.....	64

**N.** Governing Law .....65  
**O.** Waiver or Estoppel .....65

**THIS PLAN IS BEING SUBMITTED FOR APPROVAL BY THE BANKRUPTCY COURT. THIS PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. ACCORDINGLY, THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.**

## **INTRODUCTION**

Ursa Piceance Holdings LLC, a Delaware limited liability company (“Ursa Piceance”); Ursa Piceance LLC, a Delaware limited liability company; Ursa Operating Company LLC, a Delaware limited liability company, and Ursa Piceance Pipeline LLC, a Delaware limited liability company (each, a “Debtor” and, collectively, the “Debtors”), propose this joint chapter 11 plan of reorganization (this “Plan”) for the resolution of the outstanding claims against, and equity interests in, the Debtors. Although proposed jointly for administrative purposes, this Plan constitutes a separate Plan for each Debtor. Holders of Claims or Interests may refer to the Disclosure Statement for a discussion of the Debtors’ history, businesses, assets, results of operations, historical financial information, risk factors, a summary and analysis of this Plan, the Restructuring Transactions, and certain related matters. The Debtors are the proponents of this Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN.

### **I. DEFINED TERMS AND RULES OF INTERPRETATION**

#### **A. Defined Terms**

As used in this Plan, capitalized terms have the meanings set forth below.

“Administrative Claim” means a Claim for costs and expenses of administration of the Estates under sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims in the Chapter 11 Cases; (c) all fees and charges assessed against the Estates under 28 U.S.C. §1930, including any interest accruing thereon pursuant to 31 U.S.C. § 3717; and (d) any Claims that have been designated as “Administrative Claims” by order of this Court.

“Administrative Claims Bar Date” means the deadline for Filing requests for payment of Administrative Claims, which: (a) with respect to General Administrative Claims other than those that were accrued in the ordinary course of business, shall be 30 days after the Effective Date; and (b) with respect to Professional Fee Claims, shall be 45 days after the Effective Date.

“Affiliate” has the meaning set forth in section 101(2) of the Bankruptcy Code. With respect to any Person or Entity that is not a Debtor, the term “Affiliate” shall apply to such person as if the Person or Entity were a Debtor.

“Allowed” means, as to a Claim or an Interest, a Claim or Interest (or portion thereof), except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim Filed by the applicable Bar Date (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order; and *provided further* that Proofs of Claim need not be filed with respect to Interests. Except as otherwise specified in the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law.

“Asset Sale” means the sale or sales of substantially all of the Debtors’ assets pursuant to section 363 of the Bankruptcy Code, pursuant to a purchase price and such other terms as are reasonably acceptable to the Debtors and the DIP Agent.

“Asset Sale Election Notice” means a notice Filed with the Plan Supplement indicating that the Debtors and the DIP Agent (with the consent of the Requisite DIP Lenders) have elected to pursue the Asset Sale.

“Asset Sale Distribution” means a liquidation in accordance with Section IV.F hereof pursuant to which the Sale Proceeds are distributed, which shall occur if (i) the Debtors and DIP Agent (with the consent of the Requisite DIP Lenders) elect to pursue the Asset Sale, (ii) the Debtors File an Asset Sale Election Notice, (iii) the Sale Order is entered authorizing the Asset Sale, and (iv) the Purchase and Sale Agreement, in form and substance acceptable to the Debtors, the DIP Agent, and the Purchaser, is entered into prior to the filing of the Plan Supplement and consummated on or prior to the Effective Date.

“Assumed Purchaser Obligations” has the meaning set forth in the Purchase and Sale Agreement (or such other similar term as may be used in the Purchase and Sale Agreement).

“Avoidance Actions” means any and all actual or potential avoidance, recovery, subordination, or other Claims, Causes of Action, or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties in interest under the Bankruptcy Code or applicable non-bankruptcy law, including Claims, Causes of Action, or remedies under sections 502, 510, 542, 544, 545, 547 through 553, and 724(a) of the Bankruptcy Code or under similar local, state, federal, or foreign statutes and common law, including fraudulent and voidable transfer laws.

“Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date, together with all amendments, modifications, and replacements of the foregoing that are made retroactive to the Petition Date, as the same may exist on any relevant date to the extent applicable to the Chapter 11 Cases.

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

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of title 28 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court, each, as may be amended from time to time.

“Bar Date” means the applicable date, as established by an order of the Bankruptcy Court, by which respective Proofs of Claim must be Filed.

“Business Day” means any day other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

“Cash” means cash in legal tender of the United States of America and cash equivalents, including bank deposits, checks, and other similar items.

“Cause of Action” or “Causes of Action” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any claim under any state or foreign law, including, without limitation, any fraudulent transfer or similar claim.

“Chapter 11 Cases” means the cases Filed by the Debtors under chapter 11 of the Bankruptcy Code.

“Claim” means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors.

“Claims Agent” or “Prime Clerk” means Prime Clerk LLC, the noticing, claims, and solicitation agent retained by the Debtors in the Chapter 11 Cases.

“Claims Objection Deadline” means the deadline for Filing an objection to any Claim, including any Claim for damages arising from the Debtors’ rejection of any Executory Contract or

Unexpired Lease, which deadline shall be 60 days after the Effective Date, subject to any extensions approved by an order of the Bankruptcy Court; *provided, however*, that the Claims Objection Deadline shall not apply to any Claim Filed after the applicable Bar Date.

“Claims Register” means the official register of Claims maintained by the Claims Agent.

“Class” means a category of Holders of Claims or Interests pursuant to section 1122(a) of the Bankruptcy Code.

“CM/ECF” means the Bankruptcy Court’s Case Management and Electronic Case Filing system.

“Committee” means, if any, the official statutory committee of unsecured creditors appointed by the Office of the United States Trustee pursuant to section 1102 of the Bankruptcy Code for the Chapter 11 Cases.

“Compensation and Benefits Programs” means all employment and severance agreements and policies, and all employment, compensation, and benefit plans, policies, savings plans, retirement plans, deferred compensation plans, supplemental executive retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, life and accidental death and dismemberment insurance plans, and programs of the Debtors, and all amendments and modifications thereto, applicable to the Debtors’ employees, former employees, retirees, and non-employee directors and the employees, former employees and retirees of their subsidiaries, including all savings plans, retirement plans, health care plans, disability plans, severance benefit agreements, and plans, incentive plans, deferred compensation plans and life, accidental death, and dismemberment insurance plans.

“Conditions Precedent” has the meaning ascribed to such term in Section X.A of this Plan.

“Confirmation” means entry of the Confirmation Order on the docket of the Chapter 11 Cases.

“Confirmation Date” means the date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

“Confirmation Hearing” means the hearing(s) before the Bankruptcy Court under section 1129 of the Bankruptcy Code at which the Debtors seek entry of the Confirmation Order.

“Confirmation Order” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code, which shall be in form and substance acceptable to the Debtors.

“Consummation” means the occurrence of the Effective Date.

“Cure” means all amounts, including an amount of \$0.00, required to cure any monetary defaults under any Executory Contract or Unexpired Lease (or such lesser amount as may be

agreed upon by the parties under an Executory Contract or Unexpired Lease) that is to be assumed by the Debtors pursuant to sections 365 or 1123 of the Bankruptcy Code.

“D&O Liability Insurance Policies” means all insurance policies covering any of the Debtors for directors’, managers’, and officers’ liability existing as of the Petition Date (including any “tail policy” or run-off coverage) and all agreements, documents, or instruments relating thereto.

“Debtor Release” means the releases of the Released Parties provided for in Section IX.C of this Plan.

“Debtor” and “Debtors” have the respective meanings set forth in the Introduction to this Plan.

“Definitive Documentation” means the definitive documents and agreements governing the Restructuring Transactions (including any related orders, agreements, instruments, schedules, or exhibits) in form and substance satisfactory to the RBL Agent that are contemplated by and referenced in this Plan (as amended, modified, or supplemented from time to time), including the following: (a) this Plan (and all exhibits, ballots, solicitation procedures, and other documents and instruments related thereto); (b) any document or agreement comprising the Plan Supplement; (c) the Disclosure Statement; (d) the DIP Credit Agreement and the DIP Documents; (e) the DIP Orders; (f) the Exit Facility Credit Agreements and the Exit Facility Documents, if applicable; (g) the New Organizational Documents, if applicable; (i) the Confirmation Order; and (j) such other agreements and documentation desired or necessary to consummate and document transactions contemplated by this Plan.

“Description of the Transaction Steps” means the description of the steps to be carried out to effectuate the Restructuring Transactions in accordance with this Plan as set forth in the Plan Supplement.

“DIP Agent” means Wells Fargo Bank, N.A., as administrative agent under the DIP Credit Agreement.

“DIP Claim” means any Claim held by the DIP Lenders or the DIP Agent arising under or relating to the DIP Credit Agreement, any Secured Swap Agreement, any Secured Cash Management Agreement, the DIP Orders, or the Hedging Orders, including any and all fees, interests paid in kind, and accrued but unpaid interest and fees arising under the DIP Credit Agreement.

“DIP Credit Agreement” means that certain debtor-in-possession credit agreement by and among the Debtors, the guarantors party thereto, the DIP Agent, and the DIP Lenders, as approved by the DIP Orders.

“DIP Documents” means, collectively, the DIP Credit Agreement, the DIP Orders, and all other agreements, documents, and instruments related thereto, as may be amended, modified, restated or supplemented from time to time.

“DIP Facility” means the debtor-in-possession credit facility entered into on the terms and conditions set forth in the DIP Documents.

“DIP Lenders” means lenders from time to time party to the DIP Credit Agreement.

“DIP Orders” means the Interim DIP Order and the Final DIP Order.

“DIP Secured Parties” means the DIP Agent, each Secured Swap Provider, each Secured Cash Management Provider and each other party that is a “Secured Party” as defined in the DIP Credit Agreement.

“Disallowed” means, as to a Claim or an Interest, a Claim or an Interest (or portion thereof) that has been disallowed, denied, dismissed, or overruled pursuant to this Plan or a Final Order of the Bankruptcy Court, or any other court of competent jurisdiction.

“Disbursing Agent” means (a) in the case of an Equitization Restructuring, the Reorganized Debtors and in the case of an Asset Sale Distribution, the Plan Administrator, or (b) such other Entity or Entities designated by the Debtors, Reorganized Debtors, the Wind-Down Debtors, or the Plan Administrator to make distributions to Holders of Allowed Claims pursuant to the terms of this Plan.

“Disclosure Statement” means the disclosure statement for this Plan, including all exhibits and schedules thereto, which shall be in form and substance acceptable to the Debtors and the DIP Agent.

“Disputed” means, as to a Claim or an Interest, a Claim or an Interest (or portion thereof) that is neither an Allowed Claim nor a Disallowed Claim. For purposes of this Plan, a Claim that has not been Allowed by a Final Order shall be considered a Disputed Claim, whether or not an objection has been or may be timely filed, if: (i) the amount of the Claim specified in the Proof of Claim exceeds the amount of any corresponding Claim scheduled in the Bankruptcy Schedules; (ii) the classification of the Claim specified in the Proof of Claim differs from the classification of any corresponding Claim scheduled in the Bankruptcy Schedules; (iii) any corresponding Claim has been scheduled in the Bankruptcy Schedules as disputed, contingent, or unliquidated; (iv) no corresponding Claim has been scheduled in the Bankruptcy Schedules; (v) such Claim is reflected as unliquidated or contingent in the Proof of Claim filed in respect thereof; (vi) the amount, validity, priority, or other rights of the Claim are otherwise being contested, or (vii) such Claim was filed after the applicable Bar Date.

“Distribution Date” means, except as otherwise set forth herein, the date or dates determined by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, on or after the Effective Date, with the first such date occurring on or as soon as is reasonably practicable after the Effective Date, upon which the Disbursing Agent shall make distributions to Holders of Allowed Claims entitled to receive distributions under this Plan.

“Distribution Record Date” means the record date for purposes of making distributions under this Plan on account of Allowed Claims, which date shall be the Effective Date.

“Effective Date” means the date that is the first Business Day after the Confirmation Date on which all Conditions Precedent have been satisfied or waived in accordance with this Plan and the Confirmation Order.

“Entity” has the meaning set forth in section 101(15) of the Bankruptcy Code.

“Equitization Restructuring” means the transactions and reorganization contemplated by, and pursuant to, this Plan in accordance with Section IV.E of this Plan, under which, among other things, the New Equity Interests are distributed, and which shall occur on the Effective Date if the Asset Sale Distribution does not occur.

“Estate” means the estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor’s Chapter 11 Case.

“Exculpated Parties” means collectively, and in each case, in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors or the Wind-Down Debtors, as applicable; (c) the Committee and its members; (d) such Released Parties that are fiduciaries to the Debtors’ Estates; and (e) with respect to each of the foregoing, such Entity and its Related Parties.

“Executory Contract” means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

“Exit Agent” means Wells Fargo Bank, N.A., the administrative agent under the Exit Facility, together with any successor administrative agent.

“Exit Facility” means a senior secured first lien reserve-based revolving credit facility in a maximum amount of \$30 million, which will be consistent with the Exit Facility Term Sheet attached to the Disclosure Statement as Exhibit E.

“Exit Facility Credit Agreement” means that certain Credit Agreement to be entered into as of the Effective Date with respect to the Exit Facility.

“Exit Facility Documents” means the Exit Facility Credit Agreement and any other guarantee, security agreement, deed of trust, mortgage, and relevant documentation with respect to the Exit Facility, each in form and substance satisfactory to the Exit Agent.

“Exit Facility Lenders” means those lenders party to the Exit Facility.

“Exit Facility Term Sheet” means that certain term sheet describing the terms of the Exit Facility.

“Federal Judgment Rate” means the federal judgment rate in effect as of the Petition Date.

“File,” “Filed,” or “Filing” means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, including with respect to a Proof of Claim, the Claims Agent.

“Final DIP Order” means the order approving the DIP Facility on a final basis entered by the Bankruptcy Court on September 29, 2020 [Docket No. 123] and any amendments thereto.

“Final Hedging Order” means the order granting relief related to the Secured Swap Agreements on a final basis entered by the Bankruptcy Court on September 28, 2020 [Docket No. 112] and any amendments thereto.

“Final Order” means as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be Filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility of a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the local rules of the Bankruptcy Court, may be filed relating to such order shall not prevent such order from being a Final Order.

“General Administrative Claim” means an Administrative Claim other than a DIP Claim, Professional Fee Claim, or Claim for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

“General Unsecured Claim” means any Claim other than an Administrative Claim, a Professional Fee Claim, a Secured Tax Claim, an Other Secured Claim, a Priority Tax Claim, an Other Priority Claim, an RBL Secured Claim, a Term Loan Claim, or an Intercompany Claim, including, without limitation, the deficiency claims of the Term Loan Lenders and the RBL Deficiency Claims.

“Governing Body” means, in each case in its capacity as such, the board of directors, board of managers, manager, general partner, investment committee, special committee, or such similar governing body of any of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable.

“Governmental Unit” has the meaning set forth in section 101(27) of the Bankruptcy Code.

“Hedging Orders” means the Interim Hedging Order and the Final Hedging Order.

“Holder” means an Entity holding a Claim or Interest, as applicable.

“Impaired” means with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

“Indemnification Provision” means each of the Debtors’ indemnification provisions currently in place, whether in the Debtors’ bylaws, certificates of incorporation, other formation documents, board resolutions, or contracts, for the current and former members of any Governing Body, directors, officers, managers, employees, attorneys, other professionals, and respective agents of, or acting on behalf of, the Debtors.

“Insurance Contracts” means all insurance policies, including the D&O Liability Insurance Policies and the Workers’ Compensation Program, that have been issued (or provide coverage) at any time to any of the Debtors (or any of their predecessors) and all agreements, documents, or instruments relating thereto.

“Insurer” means any company or other Entity that issued an Insurance Contract and includes any third-party administrator of or for any Insurance Contract, and any respective predecessors, successors, and/or Affiliates of any of these.

“Intercompany Claim” means any Claim against a Debtor held by another Debtor.

“Intercompany Interest” means an Interest in a Debtor held by another Debtor.

“Intercreditor Agreement” means that certain Intercreditor Agreement, dated as of November 18, 2015, by and among Ursa Piceance, as borrower, each of the other grantors party thereto, Wells Fargo Bank, N.A., as First Lien Administrative Agent (as defined therein), and Wells Fargo Energy Capital, Inc., as Second Lien Administrative Agent (as defined therein) (as amended, supplemented, or otherwise modified as of the date hereof).

“Interest” means collectively, (a) any equity or ownership interest (including any such interest in a partnership, limited liability company, or other Entity), in any Debtor, (b) any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements, or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor, and (c) any and all Claims that are otherwise determined by the Bankruptcy Court to be an equity interest, including any Claim or debt that is recharacterized as an equity interest.

“Interim DIP Order” means the order approving the DIP Facility on an interim basis entered by the Bankruptcy Court on September 3, 2020 [Docket No. 50].

“Interim Hedging Order” means the order granting relief related to the Secured Swap Agreements on an interim basis entered by the Bankruptcy Court on September 4, 2020 [Docket No. 54].

“Judicial Code” means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

“Lien” has the meaning set forth in section 101(37) of the Bankruptcy Code.

“New Board” means, in the event of an Equitization Restructuring, the board of directors of New Piceance, as designated by the RBL Agent with the consent of the Requisite RBL Lenders.

“New Equity Interests” means the equity interests, membership interests, or other interests in the Reorganized Debtors acceptable to the Requisite RBL Lenders, to be issued and outstanding on the Effective Date if an Equitization Restructuring is consummated.

“New Organizational Documents” means, in the event of an Equitization Restructuring, the documents providing for corporate governance of New Piceance and the other Reorganized

Debtors, including charters, bylaws, operating agreements, or other organizational documents or shareholders' agreements, as applicable, which shall be in form and substance satisfactory to the RBL Agent and Requisite RBL Lenders and shall otherwise be consistent with section 1123(a)(6) of the Bankruptcy Code (as applicable), which shall be consistent with section 1123(a)(6) of the Bankruptcy Code (as applicable).

“New Piceance” means, at the discretion of the Requisite RBL Lenders, either (i) the Reorganized Ursa Piceance or (ii) a newly-created holding company, which shall own each of the other Reorganized Debtors and shall be created in the event of an Equitization Restructuring.

“Other Priority Claim” means any Claim other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

“Other Secured Claim” means any Secured Claim, including any Secured Tax Claim, other than a DIP Claim, an RBL Secured Claim, or a Term Loan Claim. To constitute an Other Secured Claim, the claim cannot be secured by a lien on collateral junior in priority to the lien securing the RBL Claims on such collateral. For the avoidance of doubt, Other Secured Claims includes any Claim arising under, derived from, or based upon any letter of credit issued in favor of one or more Debtors, the reimbursement obligation for which is either Secured by a Lien on collateral or is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

“Person” has the meaning set forth in section 101(41) of the Bankruptcy Code.

“Petition Date” means September 2, 2020.

“Plan” means this *Joint Chapter 11 Plan of Reorganization for Ursa Piceance Holdings LLC and its Debtor Affiliates*, including the Plan Supplement and any other supplements and any exhibits and annexes hereto, as may be amended or modified from time to time consistent with the terms hereof.

“Plan Administrator” means the person selected by the Debtors (with the consent of the DIP Agent) to administer the Plan Administrator Assets if the Asset Sale Distribution is elected. All costs, liabilities, and expenses reasonably incurred by the Plan Administrator, and any personnel employed by the Plan Administrator in the performance of the Plan Administrator's duties, shall be paid from the Plan Administrator Assets, subject to and in accordance with the Wind-Down Budget.

“Plan Administrator Assets” means, if the Asset Sale Distribution is elected, on the Effective Date, all assets of the Estates vested in the Wind-Down Debtors to be administered by Plan Administrator, and, thereafter, all assets held from time to time by Wind-Down Debtors to be administered by Plan Administrator.

“Plan Supplement” means the compilation of documents and forms of documents, agreements, schedules, and exhibits to this Plan (in each case, as may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code and Bankruptcy Rules), in form and substance satisfactory to the RBL Agent, to be Filed by the Debtors, to the extent reasonably practicable, no later than seven (7) days before the Voting Deadline or such later date as may be approved by the Bankruptcy

Court on notice to parties in interest, including the following, as applicable: (a) the New Organizational Documents; (b) the identity and members of the New Board and any executive management for the Reorganized Debtors; (c) the Schedule of Retained Causes of Action; (d) the Exit Facility Documents; (e) the Description of the Transaction Steps; (f) the Purchase and Sale Agreement; (g) the identity of the Plan Administrator, if any and the compensation of the Plan Administrator; (h) the Plan Administrator Agreement; (i) the Asset Sale Election Notice; (j) the Wind-Down Budget and Wind-Down Milestones; (k) Rejected Executory Contracts and Unexpired Leases Schedule; and (l) any additional documents Filed with the Bankruptcy Court prior to the Effective Date as amendments to the Plan Supplement.

“Priority Tax Claim” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

“Pro Rata” means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class.

“Professional” means an Entity: (a) employed pursuant to a Bankruptcy Court order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

“Professional Fee Claim” means a Claim by a Professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code.

“Professional Fee Escrow Account” means an account funded by the Debtors with Cash on the Effective Date in an amount equal to the Professional Fee Amount.

“Professional Fee Amount” means the aggregate amount of Allowed and estimated Professional Fee Claims and other Administrative Claims on account of Professionals (including, for the avoidance of doubt, any transaction fees of financial advisors and/or investment bankers) incurred upon, and after giving effect to the occurrence of, the Effective Date to be paid by the Debtors’ estates *less* the total of any retainers held by the Professionals.

“Proof of Claim” means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

“Purchase and Sale Agreement” means one or more Purchase and Sale Agreements pursuant to which the Asset Sale is consummated.

“Purchaser” means the purchaser or purchasers under the Purchase and Sale Agreement, together with their successors and permitted assigns.

“RBL Agent” means Wells Fargo Bank, N.A., as administrative agent under the RBL Credit Agreement, together with any successor administrative agent.

“RBL Claim” means any Claim arising under, derived from, or based upon the RBL Credit Agreement except Roll-Up DIP Claims.

“RBL Credit Agreement” means that certain Credit Agreement, dated as of December 21, 2012, among Ursa Piceance, as borrower, the lenders from time to time party thereto and the RBL Agent (as amended, supplemented, or otherwise modified as of the date hereof).

“RBL Credit Documents” means, collectively, the RBL Credit Agreement, each other Loan Document (as defined in the RBL Credit Agreement), and all other agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, and other security documents).

“RBL Deficiency Claim” means any portion of the RBL Claim that is not Secured (if any).

“RBL Lenders” means the lenders under the RBL Credit Agreement.

“Reinstate,” “Reinstated,” or “Reinstatement” means, with respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired in accordance with section 1124 of the Bankruptcy Code.

“Requisite DIP Lenders” means DIP Lenders that are Holders of a majority (in amount) of the DIP Claims.

“Requisite RBL Lenders” means RBL Lenders that are Holders of a majority (in amount) of the RBL Claims.

“RBL Secured Claim” means the Secured portion of the RBL Claim.

“Rejected Executory Contracts and Unexpired Leases Schedule” means the schedule of Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to this Plan, which schedule shall be included in the Plan Supplement, as the same may be amended, modified, or supplemented from time to time; *provided* that such schedule shall be in form and substance acceptable to the Debtors and the DIP Agent.

“Related Party” means, with respect to any Person or Entity, such Person’s or Entity’s directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, Affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

“Released Party” means, each of, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors or the Wind-Down Debtors, as applicable; (c) each DIP Lender; (d) the DIP Agent, (e) each RBL Lender; (f) the RBL Agent; (g) each Term Loan Lender; (h) the Term Loan Agent; (i) all Holders of Interests; (j) each Exit Facility Lender; (k) the Exit Agent; and (l) each Related Party of each Entity in clause (a) through clause (k); *provided* that in each case, a third party as a Related Party may not be a Released Party in the circumstances that a

Releasing Party: (x) elects to opt out of the releases contained in Section IX.D of this Plan; or (y) timely files with the Bankruptcy Court on the docket of the Chapter 11 Cases an objection to the releases contained in Section IX.D of this Plan that is not resolved before Confirmation.

“Releasing Parties” means, each of, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors or the Wind-Down Debtors, as applicable; (c) each DIP Lender; (d) the DIP Agent, (e) each other DIP Secured Party, (f) each RBL Lender; (g) the RBL Agent; (h) each other RBL Secured Party; (i) each Term Loan Lender; (j) the Term Loan Agent; (k) all Holders of Interests; (l) each Exit Facility Lender; (m) the Exit Agent; (n) all Holders of Claims; and (o) each Related Party of each Entity in clause (a) through clause (n); *provided* that in each case, an Entity may not be a Releasing Party if it: (x) elects to opt out of the releases contained in Section IX.D of this Plan; or (y) timely files with the Bankruptcy Court on the docket of the Chapter 11 Cases an objection to the releases contained in Section IX.D of this Plan that is not resolved before Confirmation.

“Reorganized Debtors” means, if an Asset Sale Distribution is not elected, on or after the Effective Date (a) any Debtor as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, consolidation, or otherwise, and (b) to the extent not already encompassed by clause (a), New Piceance and any newly-formed subsidiaries thereof.

“Restructuring Transactions” means the transactions described in Section IV.E and Section IV.F of this Plan.

“Roll-Up DIP Claim” means any Claim derived from or based upon the Roll-Up DIP Loans.

“Roll-Up DIP Loans” means the \$10 million of RBL Claims rolled-up pursuant to the DIP Credit Agreement and the DIP Orders.

“Sale Hearing” means the hearing at which the Bankruptcy Court considers the approval of the Asset Sale.

“Sale Order” means one or more orders of the Bankruptcy Court, including the Confirmation Order, in form satisfactory to the Debtors approving the consummation of the applicable Asset Sale.

“Sale Proceeds” means the Cash and non-Cash consideration provided by an Entity in connection with any Asset Sale, net of expenses (including transaction costs, Compensation and Benefits Programs reserves, hedge breakage, and other costs and expenses arising from the Asset Sale, if any).

“Schedule of Retained Causes of Action” means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to this Plan, as the same may be amended, modified, or supplemented from time to time with the consent (such consent not to be unreasonably withheld) of the DIP Agent and the Debtors.

“Schedules” means, with respect to each Debtor, the schedules of assets and liabilities and the statement of financial affairs filed by such Debtor with the Bankruptcy Court on October 10,

2020 pursuant to sections 521 and 1106(a)(2) of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules and statement have been or may be amended or supplemented by such Debtor at any point prior to the Effective Date.

“Secured” means, when referring to a Claim, (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in such Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, which value shall be determined pursuant to section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

“Secured Cash Management Agreement” has the meaning ascribed to such term under the DIP Credit Agreement.

“Secured Cash Management Provider” has the meaning ascribed to such term under the DIP Credit Agreement.

“Secured Swap Agreement” has the meaning ascribed to such term under the DIP Credit Agreement.

“Secured Swap Provider” has the meaning ascribed to such term under the DIP Credit Agreement.

“Secured Tax Claim” means any Secured Claim that, absent its Secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

“Securities Act” means the Securities Act of 1933, as amended, 15 U.S.C. §§ 77a-77aa, or any similar federal, state, or local law.

“Security” means any security, as defined in section 2(a)(1) of the Securities Act.

“Term Loan Agent” means Wells Fargo Energy Capital, Inc. in its capacity as administrative agent pursuant to the Term Loan Documents, its successors, assigns, or any replacement agent appointed pursuant to the terms of the Term Loan Credit Agreement.

“Term Loan Claim” means any Claim arising under, derived from, or based upon the Term Loan Credit Agreement, including any and all fees, interest paid in kind, and accrued but unpaid interest and fees arising under the Term Loan Credit Agreement.

“Term Loan Credit Agreement” means that certain Second Lien Term Loan Agreement dated as of November 18, 2015, among Ursa Piceance, as borrower, Wells Fargo Energy Capital, Inc., as the Term Loan Agent, and the lenders from time to time party thereto (as amended, supplemented, or otherwise modified as of the date hereof).

“Term Loan Credit Documents” means, collectively, the Term Loan Credit Agreement, each other Term Loan Document (as defined in the Term Loan Credit Agreement), and all other

agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, and other security documents).

“Term Loan Lenders” means the lenders under the Term Loan Credit Agreement.

“Third-Party Release” means the consensual releases of the Released Parties provided for in Section IX.D of this Plan.

“Unexpired Lease” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

“Unimpaired” means with respect to a Class of Claims or Interests, a Class of Claims or Interests that is not Impaired.

“Unsecured Stakeholder Recovery” means Cash in the amount of \$525,000.

“Ursa Piceance” has the meaning set forth in the Introduction to this Plan.

“Voting Deadline” has the meaning set forth in the Disclosure Statement.

“Wind Down” means, if the Asset Sale Distribution is elected, the wind down and dissolution of the Debtors’ Estates following the Effective Date as set forth in Section VII.B of this Plan.

“Wind-Down Budget” means a budget in form and substance reasonably acceptable to the Debtors and acceptable to the DIP Agent and as set forth in the Plan Supplement.

“Wind-Down Debtors” means, on or after the Effective Date and if an Asset Sale Distribution is elected, any Debtor or any successor or assign thereto, by merger, consolidation, or otherwise.

“Wind-Down Milestones” means the deadlines, set forth in the Plan Supplement by which the Plan Administrator must complete certain aspects of the Wind Down.

“Workers’ Compensation Program” means the written contracts, agreements, agreements of indemnity, self-insured bonds, policies, programs, and plans for workers’ compensation and workers’ compensation insurance issued to or entered into at any time by any of the Debtors, if any.

## **B. Rules of Interpretation**

For purposes of this Plan, unless otherwise provided herein: (1) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (2) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (3) any reference herein to an existing document,

schedule, exhibit, or annex, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, exhibit, or annex, as it may thereafter be amended, modified, or supplemented; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (6) all references in this Plan to Articles and Sections are references to Articles and Sections of this Plan, respectively, as the same may be amended, waived or modified from time to time in accordance with the terms hereof; (7) the words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to this Plan as a whole and not to any particular Article, Section, paragraph, or clause contained in this Plan; (8) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation and shall be deemed to be followed by the words "without limitation;" (9) subject to the provisions of any contract, certificate of incorporation, by-law, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising pursuant to this Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (10) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (11) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (12) any immaterial effectuating provisions may be interpreted by the Reorganized Debtors or the Wind-Down Debtors in such a manner that is consistent with the overall purpose and intent of this Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; (13) captions and headings to Articles or Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; and (14) any reference to an Entity's "subsidiaries" means its direct and indirect subsidiaries.

### **C. Computation of Time**

In computing any period of time prescribed or allowed by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply. In the event that any payment, distribution, act or deadline under this Plan is required to be made or performed or occurs on a day that is not a Business Day, then such payment, distribution, act or deadline shall be deemed to occur on the next succeeding Business Day, but if so made, performed or completed by such next succeeding Business Day, shall be deemed to have been completed or to have occurred as of the required date.

### **D. Reference to Monetary Figures**

All references in this Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided herein.

### **E. Reference to the Debtors, the Reorganized Debtors, or the Wind-Down Debtors**

Except as otherwise specifically provided in this Plan to the contrary, references in this Plan to the Debtors, the Reorganized Debtors, or the Wind-Down Debtors shall mean the Debtors,

the Reorganized Debtors, and the Wind-Down Debtors, as applicable, to the extent the context requires.

#### **F. Controlling Document**

Except as set forth in this Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in this Plan (or any exhibits, annexes, schedules, appendices, supplements, or amendments to any of the foregoing), conflicts with or is in any way inconsistent with any provision of this Plan, this Plan shall govern and control. In the event of an inconsistency between the Confirmation Order and this Plan, the Confirmation Order shall control.

## **II. ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Claims, Professional Fee Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III of this Plan.

#### **A. Administrative Claims**

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable (such agreement subject to the reasonable consent of the Requisite RBL Lenders), each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim in accordance with the following: (1) if an Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than thirty (30) days after the date on which an order allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the Holders of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by such Holder and the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable (such agreement subject to the reasonable consent of the Requisite RBL Lenders); or (5) at such time and upon such terms as set forth in an order of the Bankruptcy Court.

Requests for payment of General Administrative Claims must be Filed and served on the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, no later than the Administrative Claims Bar Date applicable to the Debtor against whom the General Administrative Claim is asserted pursuant to the procedures specified in the Confirmation Order and the notice of the Effective Date. Holders of General Administrative Claims that are required to File and serve a request for payment of such General Administrative Claims by the Administrative Claims Bar Date that do not File and serve such a request by the Administrative

Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such General Administrative Claims against the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, or their respective property and such General Administrative Claims shall be deemed forever discharged and released as of the Effective Date. Any requests for payment of General Administrative Claims that are not properly Filed and served by the Administrative Claims Bar Date shall not appear on the Claims Register and shall be disallowed automatically without the need for further action by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors or further order of the Bankruptcy Court. To the extent this Section II.A conflicts with Section XIII.C of this Plan with respect to fees and expenses payable under section 1930(a) of the Judicial Code, including fees and expenses payable to the U.S. Trustee, Section XIII.C of this Plan shall govern.

## **B. DIP Claims**

Any portion of the DIP Claims that remains outstanding shall be Allowed and paid by the Effective Date.

If an Equitization Restructuring occurs, on the Effective Date, except to the extent that a Holder of an Allowed DIP Claim agrees to a less favorable treatment (or such Holder is a Secured Swap Provider or Secured Cash Management Provider), in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed DIP Claim, each Holder thereof will receive its Pro Rata share of the Exit Facility and payment in full in Cash of any then outstanding fees and expenses payable under the DIP Credit Agreement. All DIP Claims arising under Secured Swap Agreements and each Cash Management Agreement that have not been terminated prior to the Effective Date shall constitute Secured Swap Agreements and Secured Cash Management Agreements (as applicable) under the Exit Facility. All DIP Claims arising from Secured Swap Agreements and Secured Cash Management Agreements that are terminated on or prior to the Effective Date shall be paid in full in Cash.

If an Asset Sale Distribution is elected, on the date the Asset Sale is consummated, except to the extent that a Holder of an Allowed DIP Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed DIP Claim, each Holder thereof shall receive payment in full in Cash of such Holder's Allowed DIP Claim.

Unless and until Holders of Allowed DIP Claims receive, (i) in an Equitization Restructuring, their Pro Rata share of the Exit Facility or other treatment described above, or (ii) in an Asset Sale Distribution, payment in full in Cash of such Allowed DIP Claims, then notwithstanding entry of the Confirmation Order and anything to the contrary in this Plan or the Confirmation Order, (x) none of the DIP Claims shall be discharged, satisfied, or released or otherwise affected in whole or in part, and each of the DIP Claims shall remain outstanding, (y) none of the Liens securing the DIP Claims shall be deemed to have been waived, released, satisfied, or discharged, in whole or in part, and (z) neither the DIP Credit Agreement nor any of the DIP Documents shall be deemed terminated, discharged, satisfied, or released or otherwise affected in whole or in part, and each such agreement, instrument, and document shall remain in effect.

**C. Professional Fee Claims**

**1. Final Fee Applications and Payment of Professional Fee Claims**

All requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than forty-five (45) days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. The Disbursing Agent shall pay the amounts of the Allowed Professional Fee Claims in Cash, including from the Professional Fee Escrow Account, which the Reorganized Debtors or the Wind-Down Debtors, as applicable will establish in trust for the Professionals and fund with Cash equal to the Professional Fee Amount on the Effective Date.

**2. Professional Fee Escrow Account**

On the Effective Date, the Reorganized Debtors or the Wind-Down Debtors, as applicable, shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Amount, which shall be funded by the Reorganized Debtors or the Wind-Down Debtors, as applicable. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals. Such funds shall not be considered property of the Estates of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors. The Allowed amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Reorganized Debtors or the Wind-Down Debtors, as applicable, from the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed. When all such Allowed amounts owing to Professionals have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors or the Wind-Down Debtors, as applicable, without any further action or order of the Bankruptcy Court.

**3. Professional Fee Reserve Amount**

Professionals shall reasonably estimate their unpaid Professional Fee Claims and other unpaid fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date, and shall deliver such estimate to the Debtors no later than two (2) Business Days before the Effective Date; *provided, however*, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Filed Professional Fee Claims. If a Professional does not provide an estimate, the Debtors, the Reorganized Debtors, or the Wind-Down Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

**4. Post-Effective Date Fees and Expenses**

Except as otherwise specifically provided in this Plan, from and after the Effective Date, the Debtors, the Reorganized Debtors, or the Wind-Down Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of this Plan and Consummation incurred from and after the Effective Date by the Debtors, the Reorganized Debtors, and the Wind-Down Debtors, as applicable. Upon the

Effective Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

#### **D. Priority Tax Claims**

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

### **III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

#### **A. Classification of Claims and Interests**

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, Confirmation and distribution pursuant hereto and pursuant to sections 1122 and 1123(a) of the Bankruptcy Code. This Plan deems a Claim or Interest to be classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class for purposes of distribution only to the extent that any such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. In accordance with section 1123(a)(1) of the Bankruptcy Code and as described in Article II of this Plan, the Debtors have not classified Administrative Claims (including DIP Claims and Professional Fee Claims) and Priority Tax Claims.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth below. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.D hereof.

<b>Class</b>	<b>Claims and Interests</b>	<b>Status</b>	<b>Voting Rights</b>
Class 1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 3	RBL Secured Claims	Impaired	Entitled to Vote

Class 4	Term Loan Claims	Impaired	Entitled to Vote
Class 5	General Unsecured Claims	Impaired	Entitled to Vote
Class 6	Intercompany Claims	Unimpaired/Impaired	Not Entitled to Vote (Deemed to Accept or Reject)
Class 7	Intercompany Interests	Unimpaired/Impaired	Not Entitled to Vote (Deemed to Accept or Reject)
Class 8	Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

## B. Treatment of Claims and Interests

Each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under this Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Reorganized Debtors or the Wind-Down Debtors, as applicable, and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

### 1. Class 1 – Other Secured Claims

- (a) *Classification:* Class 1 consists of all Other Secured Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim against any of the Debtors has agreed to less favorable treatment of such Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor:
  - (i) payment in full in Cash of its Allowed Other Secured Claim;
  - (ii) receive delivery of collateral securing any such claim and payment of any interest requested under section 506(b) of the Bankruptcy Code; or
  - (iii) such other treatment that renders its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code agreed upon by the Debtors and the Holder of the Other Secured Claim, such agreement subject to the reasonable consent of the Requisite RBL Lenders.

- (c) *Voting:* Class 1 is Unimpaired under this Plan. Holders of Claims in Class 1 are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject this Plan.

**2. Class 2 – Other Priority Claims**

- (a) *Classification:* Class 2 consists of all Other Priority Claims.
- (b) *Treatment:* On the Effective Date or as soon as practicable thereafter, except to the extent that a Holder of an Allowed Other Priority Claim against any of the Debtors has agreed to less favorable treatment of such Claim, such agreement to be subject to the reasonable consent of the Requisite RBL Lenders, each Holder of an Allowed Other Priority Claim shall receive payment in full in Cash.
- (c) *Voting:* Class 2 is Unimpaired under this Plan. Holders of Claims in Class 2 are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject this Plan.

**3. Class 3 – RBL Secured Claims**

- (a) *Classification:* Class 3 consists of all RBL Secured Claims.
- (b) *Allowance:* On the Effective Date, the RBL Secured Claims shall be Allowed in the aggregate principal amount of \$209.0 million, plus accrued and unpaid interest on such principal amount through the Petition Date and any other amounts due and owing pursuant to the RBL Credit Agreement through and including the Effective Date, less the amount rolled up pursuant to the Roll-Up DIP Loans.
- (c) *Treatment:* On the Effective Date:
  - (i) if the Equitization Restructuring occurs, then (1) each Holder of an Allowed RBL Secured Claim or its designee (if applicable) shall receive, in full and final satisfaction of such Claims, its Pro Rata share of the New Equity Interests and (2) the New Equity Interests shall be issued in accordance with the New Organizational Documents; or
  - (ii) if the Asset Sale Distribution is elected, each Holder of an Allowed RBL Secured Claim shall receive, in full and final satisfaction of such Claims, its Pro Rata share of the Sale Proceeds after satisfaction of the Administrative Claims, the Priority Tax Claims, the Other Priority Claims, the Other Secured Claims, and the DIP Claims, up to the Allowed

amount of such RBL Secured Claim, less the sum of the Unsecured Stakeholder Recovery and the Wind-Down Budget and including any residual Cash after the final decree is entered closing these Chapter 11 Cases, with such Cash to be distributed after such final decree is entered.

- (d) *Voting:* Class 3 is Impaired under this Plan. Holders of Claims in Class 3 are entitled to vote to accept or reject this Plan.

**4. Class 4 – Term Loan Claims**

- (a) *Classification:* Class 4 consists of all Term Loan Claims.
- (b) *Allowance:* On the Effective Date, the Term Loan Claims shall be Allowed in an amount equal to \$50.0 million plus accrued and unpaid interest on such principal amount through the Petition Date.
- (c) *Treatment:* On the Effective Date, each Holder of an Allowed Term Loan Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata share of:
  - (i) if the Equitization Restructuring occurs, a distribution on account of Term Loan Lenders’ unsecured deficiency Claims as set forth in Class 5; or
  - (ii) if the Asset Sale Distribution is elected:
    - 1. the Sale Proceeds after satisfaction of the Administrative Claims, the Priority Tax Claims, the Other Priority Claims, the Other Secured Claims, the DIP Claims, and the RBL Claims, up to the Allowed amount of such Term Loan Claim; and
    - 2. a distribution on account of Term Loan Lenders’ unsecured deficiency Claims as set forth in Class 5.
- (d) *Voting:* Class 4 is Impaired under this Plan. Holders of Claims in Class 4 are entitled to vote to accept or reject this Plan; *provided* that if the Equitization Restructuring occurs or the Asset Sale proceeds are insufficient to satisfy any of the Term Loan Claims, the Term Loan Lenders shall vote solely as holders of General Unsecured Claims in Class 5 to the extent of their deficiency claims.

**5. Class 5 – General Unsecured Claims**

- (a) *Classification:* Class 5 consists of all General Unsecured Claims.

- (b) *Treatment:* On the Effective Date, each Holder of an Allowed General Unsecured Claim that is not an RBL Deficiency Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata share of:
  - (i) if the Equitization Restructuring occurs, the Unsecured Stakeholder Recovery; or
  - (ii) if the Asset Sale Distribution is elected, the greater of:
    - 1. the Sale Proceeds after satisfaction of the Administrative Claims, the Priority Tax Claims, the Other Priority Claims, the Other Secured Claims, the DIP Claims, the RBL Claims, and the Term Loan Claims, up to the Allowed amount of such General Unsecured Claim; or
    - 2. the Unsecured Stakeholder Recovery.
- (c) *Voting:* Class 5 is Impaired under this Plan. Holders of Claims in Class 5 are entitled to vote to accept or reject this Plan.

**6. Class 6 – Intercompany Claims**

- (a) *Classification:* Class 6 consists of all Intercompany Claims.
- (b) *Treatment:* On the Effective Date, each Intercompany Claim shall be:
  - (i) if the Equitization Restructuring occurs, Reinstated or canceled, released, and extinguished, and will be of no further force or effect without any distribution, at the discretion of the Debtors in consultation with the Requisite RBL Lenders; or
  - (ii) if the Asset Sale Distribution is elected, canceled, released, and extinguished, and will be of no further force or effect without any distribution.
- (c) *Voting:* Pursuant to sections 1126(f) and 1126(g) of the Bankruptcy Code, Holders of Intercompany Claims against the Debtors are not entitled to vote to accept or reject this Plan.

**7. Class 7 – Intercompany Interests**

- (a) *Classification:* Class 7 consists of all Intercompany Interests.

- (b) *Treatment*: On the Effective Date, each Intercompany Interest shall be, at the option of the applicable Debtor, either:
  - (i) if the Equitization Restructuring occurs, Reinstated or canceled, released, and extinguished, and will be of no further force or effect without any distribution, at the discretion of the Debtors in consultation with the Requisite RBL Lenders.
  - (ii) if the Asset Sale Distribution is elected, canceled, released, and extinguished, and will be of no further force or effect without any distribution.
- (c) *Voting*: Pursuant to sections 1126(f) and 1126(g) of the Bankruptcy Code, Holders of Intercompany Interests in the Debtors are not entitled to vote to accept or reject this Plan.

**8. Class 8 – Interests**

- (a) *Classification*: Class 8 consists of all Interests (other than Intercompany Interests).
- (b) *Treatment*: On the Effective Date, each Interest shall be canceled, released, and extinguished, and will be of no further force or effect.
- (c) *Voting*: Class 8 is Impaired under this Plan. Holders of Interests in Class 8 are conclusively presumed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject this Plan.

**C. Special Provision Governing Unimpaired Claims**

Except as otherwise provided in this Plan, nothing under this Plan shall affect the Debtors', the Reorganized Debtors, or the Wind-Down Debtors' rights regarding any Unimpaired or Reinstated Claim, including all rights regarding legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired or Reinstated Claim. Unless otherwise Allowed, Claims that are Unimpaired may remain Disputed Claims under the Plan.

**D. Elimination of Vacant Classes**

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from this Plan for purposes of voting to accept or reject this Plan and for purposes of determining acceptance or rejection of this Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

**E. Acceptance or Rejection of this Plan**

**1. Presumed Acceptance of this Plan**

Claims in Classes 1, 2, and 6 (to the extent Unimpaired) and Interests in Class 7 (to the extent Unimpaired) are Unimpaired under this Plan. The Holders of such Claims and Interests are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject this Plan.

**2. Voting Classes**

Claims in Classes 3, 4, and 5 are Impaired under this Plan and the Holders of such Claims are entitled to vote to accept or reject this Plan. If such a Class contains Claims eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject this Plan, such Class shall be deemed to have accepted this Plan.

**3. Deemed Rejection of this Plan**

Claims in Class 6 (to the extent Impaired), and Interests in Class 7 (to the extent Impaired) and Class 8 are Impaired and Holders of such Claims and Interests are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject this Plan.

**F. Intercompany Interests**

To the extent Reinstated under this Plan, distributions on account of Intercompany Interests are not being received by Holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience, for the ultimate benefit of the Holders of New Equity Interests, and in exchange for the Debtors' and the Reorganized Debtors' or the Wind-Down Debtors', as applicable, agreement under this Plan to make certain distributions to the Holders of Allowed Claims.

**G. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code**

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of this Plan by one or more of the Classes entitled to vote pursuant to Section III.B of this Plan. The Debtors reserve the right to modify this Plan in accordance with Article XI of this Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

**H. Subordinated Claims**

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests (as applicable) and the respective distributions and treatments under this Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in

connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtors and the Wind-Down Debtors reserve the right to re-classify any Allowed Claim or Allowed Interest (as applicable) in accordance with any contractual, legal, or equitable subordination relating thereto.

#### **IV. MEANS FOR IMPLEMENTATION OF THIS PLAN**

##### **A. General Settlement of Claims and Interests**

As discussed in detail in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under this Plan, upon the Effective Date, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to this Plan, including (1) any challenge to the amount, validity, perfection (as applicable), enforceability, priority or extent of the DIP Claims, the RBL Claims, or the Term Loan Claims and (2) any claim to avoid, subordinate, or disallow any of the DIP Claims, the RBL Claims, or the Term Loan Claims whether under any provision of chapter 5 of the Bankruptcy Code, on any equitable theory (including equitable subordination, equitable disallowance, or unjust enrichment) or otherwise. Subject to Article VI hereof, all distributions made to Holders of Allowed Claims and Allowed Interests (as applicable) in any Class are intended to be and shall be final.

##### **B. Restructuring Transactions**

On the Effective Date, the applicable Debtors, the Reorganized Debtors, or the Wind-Down Debtors shall enter into any transaction and shall take any actions as may be necessary or appropriate to effectuate the Asset Sale Distribution or the Equitization Restructuring, as applicable, which may include, in the case of an Equitization Restructuring, to establish New Piceance and to transfer all of the assets of the Debtors to New Piceance or one or more subsidiaries thereof. In the case of an Equitization Restructuring, the applicable Debtors or Reorganized Debtors will take any actions as may be necessary or advisable to effect a restructuring of the overall corporate structure of the Debtors, to the extent provided herein, the Description of the Transaction Steps, or in the Definitive Documentation, including the issuance of all securities, notes, instruments, certificates, and other documents required to be issued pursuant to this Plan, one or more inter-company mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, liquidations, or other corporate transactions.

The actions to implement the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of this Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of this Plan and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation,

reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (4) all other actions that the applicable Entities determine to be necessary, including making filings or recordings that may be required by applicable law in connection with this Plan.

### **C. Cancellation of Existing Agreements and Interests**

On the Effective Date, except with respect to (1) Intercompany Interests which are Reinstated in connection with an Equitization Restructuring, (2) the Exit Facility or (3) to the extent otherwise provided in the Description of the Transaction Steps, this Plan, or the Confirmation Order, all notes, instruments, certificates, and other documents evidencing Claims or Interests, including credit agreements and indentures, shall be cancelled and the obligations of the Debtors and any non-Debtor Affiliate thereunder or in any way related thereto shall be deemed satisfied in full, cancelled, discharged, and of no force or effect. Holders of or parties to such cancelled instruments, securities, and other documentation will have no rights arising from or relating to such instruments, securities, and other documentation, or the cancellation thereof, except the rights provided for pursuant to this Plan. Notwithstanding the foregoing or anything to the contrary herein, any rights of the administrative agents to indemnification under each of the respective DIP Documents and the RBL Credit Agreement shall remain binding and enforceable in accordance with the terms of such documents and shall not be subject to discharge, impairment, or release under this Plan or the Confirmation Order (in the Asset Sale Distribution, any payments related to such indemnification obligations shall be made in a manner consistent with the Wind-Down Budget).

### **D. Section 1146 Exemption**

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to a Reorganized Debtor, a Wind-Down Debtor, or to any other Person) of property under this Plan, including the Asset Sale, if applicable, or pursuant to: (1) the issuance, reinstatement, distribution, transfer, or exchange of any debt, or other Interest in the Debtors or the Reorganized Debtors; (2) the Restructuring Transactions; (3) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (4) the making, assignment, or recording of any lease or sublease; (5) the grant of collateral as security for any or all of the Exit Facility; or (6) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to this Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forego the

collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

**E. The Equitization Restructuring**

If the Equitization Restructuring occurs, the following provisions shall govern.

**1. Reorganized Debtors**

On the Effective Date, the New Board shall be established, and each Reorganized Debtor shall adopt its New Organizational Documents. The Reorganized Debtors shall be authorized to adopt any other agreements, documents, and instruments and to take any other actions in consultation with the DIP Agent contemplated under this Plan as necessary to consummate this Plan.

**2. Sources of Plan Distributions**

(a) Exit Facility

If an Equitization Restructuring occurs, on the Effective Date, the Reorganized Debtors shall enter into the Exit Facility, the terms of which will be set forth in the Exit Facility Documents. Confirmation of this Plan shall be deemed approval of the Exit Facility, including the Exit Facility Documents, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, expenses, and other payments provided for therein and authorization of the Reorganized Debtors to enter into and execute the Exit Facility Documents and such other documents as may be required to effectuate the treatment afforded by the Exit Facility.

On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (a) shall be deemed to be granted, (b) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, (c) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents, and (d) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the persons and entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of this Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

(b) New Equity Interests

The Reorganized Debtors shall be authorized to issue New Equity Interests pursuant to its New Organizational Documents. On the Effective Date, the Debtors shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to this Plan.

All of the New Equity Interests issued pursuant to this Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance referred to in Article VI of this Plan shall be governed by the terms and conditions set forth in this Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

**3. Corporate Existence**

Except as otherwise provided in this Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each Debtor is incorporated or formed and pursuant to the certificate of incorporation and by-laws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and by-laws (or other formation documents) are amended under this Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to this Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

**4. Vesting of Assets in the Reorganized Debtors**

Except as otherwise provided in this Plan, the Confirmation Order, or any agreement, instrument, or other document incorporated herein, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to this Plan shall vest in the Reorganized Debtors, free and clear of all Liens, Claims, charges, Causes of Action, or other encumbrances; *provided, however*, that any and all liens securing the DIP Claims shall be retained by the DIP Agent and assigned to the Exit Agent to secure any and all obligations of the Reorganized Debtors under the Exit Facility. On and after the Effective Date, except as otherwise provided in this Plan the Confirmation Order, or any agreement, instrument, or other document incorporated herein, the Reorganized Debtors may operate their business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

**5. Corporate Action**

Upon the Effective Date, all actions contemplated under this Plan shall be deemed authorized and approved in all respects, including: (1) selection of the directors, officers, or managers for the Reorganized Debtors; (2) the distribution of the New Equity Interests; (3) implementation of the Restructuring Transactions; (4) entry into the Exit Facility Documents; (5) all other actions contemplated under this Plan (whether to occur before, on, or after the

Effective Date); (6) adoption of the New Organizational Documents; (7) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases; and (9) all other acts or actions contemplated or reasonably necessary or appropriate to promptly consummate the Restructuring Transactions contemplated by this Plan (whether to occur before, on, or after the Effective Date). All matters provided for in this Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtor, as applicable, in connection with this Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security Holders, directors, officers, or managers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under this Plan (or necessary or desirable to effect the transactions contemplated under this Plan) in the name of and on behalf of the Reorganized Debtors, including the New Equity Interests, the New Organizational Documents, the Exit Facility, the Exit Facility Documents, and any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Section IV.E.5 shall be effective notwithstanding any requirements under non-bankruptcy law.

#### **6. New Organizational Documents**

On or immediately prior to the Effective Date, the New Organizational Documents shall be amended in a manner acceptable to the Debtors and the RBL Agent, as may be necessary to effectuate the transactions contemplated by this Plan. Each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation. The New Organizational Documents will prohibit the issuance of non-voting Equity Securities, to the extent required under section 1123(a)(6) of the Bankruptcy Code. For the avoidance of doubt, the New Organizational Documents shall be included as exhibits to the Plan Supplement.

#### **7. Directors and Officers of the Reorganized Debtors**

As of the Effective Date, the term and duties of the existing governance and board service to the Debtors shall expire, and the members for the initial term of the New Board shall be appointed. The New Board shall initially consist of 5 members, consisting of the Chief Executive Officer of New Piceance and other members designated by the RBL Agent with the consent of the Requisite RBL Lenders. In subsequent terms, following the Effective Date, the members of the New Board shall be selected in accordance with the New Organizational Documents of the Reorganized Debtors. The initial members of the New Board will be identified in the Plan Supplement, to the extent known at the time of filing. Each such member and officer of the Reorganized Debtors shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

## 8. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors and the New Board are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary to effectuate, implement, and further evidence the terms and conditions of this Plan and the Securities issued pursuant to this Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to this Plan.

## 9. Retiree Benefits; Compensation and Benefit Programs

From and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, and other Compensation and Benefit Programs shall continue to be paid in accordance with applicable law and the Bankruptcy Code.

## 10. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article IX of this Plan, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in this Plan, including in Article IX of this Plan.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in this Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it. The Debtors or Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in this Plan, including Article IX of this Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in this Plan or a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain such Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to this Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors, except as otherwise expressly provided in this Plan, including Article IX of this Plan.

The Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

#### **11. Closing the Chapter 11 Cases**

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases, provided, as of the Effective Date, the Reorganized Debtors may submit separate orders to the Bankruptcy Court under certification of counsel previously provided to the U.S. Trustee closing certain individual Chapter 11 Cases and changing the caption of the Chapter 11 Cases accordingly, provided further that matters concerning Claims may be heard and adjudicated in one of the Debtors' chapter 11 cases that remains open regardless of whether the applicable Claim is against a Debtor in a Chapter 11 Case that is closed. Nothing in this Plan shall authorize the closing of any case effective as of a date that precedes the date any such order is entered. Any request for such relief shall be made on motion served on the U.S. Trustee, and the Bankruptcy Court shall rule on such request after notice and a hearing. Upon the filing of a motion to close the last Chapter 11 Case remaining open, the Reorganized Debtors shall file a final report with respect to all of the Chapter 11 Cases pursuant to Local Rule 3022-1(c).

#### **F. The Asset Sale Distribution**

If the Asset Sale Distribution is elected, the following provisions shall govern.

##### **1. Asset Sale**

In the event of an Asset Sale, and upon entry of the Sale Order, the Debtors shall be authorized to consummate the applicable Asset Sale to the applicable Purchaser pursuant to the terms of the applicable Purchase and Sale Agreement, the Sale Order, the Plan, and the Confirmation Order. The Sale Proceeds and any reserves required pursuant to the Purchase and Sale Agreement (including any documents contemplated to be executed or delivered by the Debtors or the Purchaser under the Purchase and Sale Agreement), the Debtors' rights under the Purchase and Sale Agreement, payments made directly by the Purchaser on account of any Assumed Purchaser Obligations under the Purchase and Sale Agreement, and payments of Cures made by the Purchaser pursuant to sections 365 or 1123 of the Bankruptcy Code shall be used to fund the distributions to Holders of Allowed Claims against the Debtors in accordance with the treatment of such Claims and subject to the terms provided herein. Unless otherwise agreed in writing by the Debtors and the Purchaser, distributions required by this Plan on account of Allowed Claims that are Assumed Purchaser Obligations shall be paid by the Purchaser to the extent such Claim is Allowed against the Debtors.

## **2. Vesting of Assets in the Wind-Down Debtors**

Except as otherwise provided in this Plan, the Confirmation Order, the Purchase and Sale Agreement, or any agreement, instrument, or other document incorporated herein or therein, or any agreement, instrument, or other document incorporated in this Plan or the Plan Supplement, on the Effective Date, the assets of the Debtors remaining after effectuating the Asset Sales shall vest in the Wind-Down Debtors for the purpose of liquidating the Estates, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided for in this Plan, the DIP Orders, the Purchase and Sale Agreement, or the Sale Order, the Debtors and the Wind-Down Debtors may operate their business and use, acquire, or dispose of property in accordance with the Wind-Down Budget, and compromise or settle any Claims, Interests, or Causes of Action.

## **3. Sources of Plan Distributions**

The Wind-Down Debtors will fund distributions under this Plan with Cash on hand on the Effective Date and the revenues and proceeds of all assets of the Debtors, including proceeds from all Causes of Action not settled, released, discharged, enjoined, or exculpated under this Plan or otherwise on or prior to the Effective Date.

Notwithstanding anything to the contrary in this Plan or in the Purchase and Sale Agreement, on the Effective Date, any Cause of Action not settled, released, discharged, enjoined, or exculpated under this Plan on or prior to the Effective Date shall vest in the Wind-Down Debtors and shall be subject to administration by the Plan Administrator.

## **4. Wind-Down Debtors**

On and after the Effective Date, the Wind-Down Debtors shall continue in existence for purposes of (a) winding down the Debtors' business and affairs as expeditiously as reasonably possible in accordance with the Wind-Down Budget and Wind-Down Milestones, (b) resolving Disputed Claims, (c) making distributions on account of Allowed Claims as provided hereunder, (d) funding distributions in accordance with the Wind-Down Budget, (e) enforcing and prosecuting claims, interests, rights, and privileges under the Causes of Action on the Schedule of Retained Causes of Action in an efficacious manner and only to the extent the benefits of such enforcement or prosecution are reasonably believed to outweigh the costs associated therewith, (f) filing appropriate tax returns, (g) complying with its continuing obligations under the Purchase and Sale Agreement, if any, and the DIP Orders (as applicable), and (h) administering this Plan in an efficacious manner. The Wind-Down Debtors shall be deemed to be substituted as the party-in-lieu of the Debtors in all matters, including (i) motions, contested matters, and adversary proceedings pending in the Bankruptcy Court, (ii) DIP Orders (as applicable), and (iii) all matters pending in any courts, tribunals, forums, or administrative proceedings outside of the Bankruptcy Court, in each case without the need or requirement for the Plan Administrator to file motions or substitutions of parties or counsel in each such matter.

## **5. Plan Administrator**

On and after the Effective Date, the Plan Administrator shall act for the Wind-Down Debtors in the same fiduciary capacity as applicable to a board of managers, directors, officers, or

other Governing Body, subject to the provisions hereof (and all certificates of formation, membership agreements, and related documents are deemed amended by this Plan to permit and authorize the same). On the Effective Date, the authority, power, and incumbency of the persons acting as managers, officers, directors, sale director, or Governing Body of the Wind-Down Debtors shall be deemed to have resigned, solely in their capacities as such, and the Plan Administrator shall be appointed as the sole manager, sole director, and sole officer of the Wind-Down Debtors, and shall succeed to the powers of the Wind-Down Debtors' managers, directors, officers, and other Governing Bodies. From and after the Effective Date, the Plan Administrator shall be the sole representative of, and shall act for, the Wind-Down Debtors. The foregoing shall not limit the authority of the Wind-Down Debtors or the Plan Administrator, as applicable, to continue the employment of any former manager or officer, including pursuant to any transition services agreement entered into on or after the Effective Date by and between the Wind-Down Debtors and the Purchaser. The Plan Administrator shall use commercially reasonable efforts to operate in a manner consistent with the Wind-Down Budget.

## **6. Dissolution and Governing Bodies of the Debtors**

As of the Effective Date, the current board shall be dissolved without any further action required on the part of the Debtors or the Debtors' officers, directors, managers, shareholders, members, or Governing Bodies, and any remaining officers, directors, managers, or managing members of any Debtor shall be dismissed without any further action required on the part of any such Debtor, the equity holders of the Debtors, the officers, directors, managers, or Governing Body, as applicable, of the Debtors, or the members of any Debtor. Subject in all respects to the terms of this Plan, the Debtors shall be dissolved as soon as practicable on or after the Effective Date, but in no event later than the closing of the Chapter 11 Cases.

As of the Effective Date, the Plan Administrator shall act as the sole officer, director, manager, and Governing Body, as applicable, of the Debtors with respect to their affairs. Subject in all respects to the terms of this Plan, the Plan Administrator shall have the power and authority to take any action necessary to wind down and dissolve any of the Debtors, and shall: (a) file a certificate of dissolution for any of the Debtors, together with all other necessary corporate and company documents, to effect the dissolution of the Debtors under the applicable laws of its state of formation; and (b) complete and file all final or otherwise required federal, state, and local tax returns and shall pay taxes required to be paid for any of the Debtors, and pursuant to section 505(b) of the Bankruptcy Code, request an expedited determination of any unpaid tax liability of any of the Debtors or their Estates for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws.

The filing by the Plan Administrator of any of the Debtors' certificate of dissolution shall be authorized and approved in all respects without further action under applicable law, regulation, order, or rule, including any action by the stockholders, members, board of directors, or board of managers of Manager or any of its Affiliates.

## **7. Release of Liens**

Except as otherwise expressly provided herein or in the Confirmation Order, on the Effective Date, all Liens on any property of any Debtors or the Wind-Down Debtors shall

automatically terminate, all property subject to such Liens shall be automatically released, and all guarantees of any Debtors or the Wind-Down Debtors shall be automatically discharged and released; *provided* that notwithstanding anything to the contrary set forth in this Plan, subject to the funding of the Professional Fee Escrow Account, (a) all Liens of the DIP Agent, DIP Lenders, RBL Agent, RBL Lenders, Term Loan Agent, and Term Loan Lenders, on any property of any Debtors or the Wind-Down Debtors shall remain valid, binding, and in full effect on and after the Effective Date, (b) all property of the Debtors and Wind-Down Debtors shall remain subject to the Liens and claims of the DIP Agent, DIP Lenders, RBL Agent, RBL Lenders, Term Loan Agent, and Term Loan Lenders and shall continue to secure all Obligations (as defined in the DIP Credit Agreement, the RBL Credit Agreement, and the Term Loan Credit Agreement, as applicable) owing to the DIP Agent, DIP Lenders, RBL Agent, RBL Lenders, Term Loan Agent, and Term Loan Lenders, (c) all guarantees of any Debtors or the Wind-Down Debtors in favor of the DIP Agent, DIP Lenders, RBL Agent, RBL Lenders, Term Loan Agent, and Term Loan Lenders shall be reaffirmed and remain in full force and effect, and (d) the proceeds of sales of any collateral of the Wind-Down Debtors securing the DIP Claims, RBL Claims, and Term Loan Claims shall remain subject to the liens and claims of the DIP Agent, DIP Lenders, RBL Agent, RBL Lenders, Term Loan Agent, and Term Loan Lenders, as applicable, to the same extent as such liens and claims were enforceable against the Debtors and the Debtors' assets, in each case of clauses (a)-(d) of this Section IV.F.7 until the DIP Agent, DIP Lenders, RBL Agent, RBL Lenders, Term Loan Agent, and Term Loan Lenders receive their distributions or other treatment in accordance with Section II.B and Section III.B of this Plan.

## **8. Corporate Action**

Upon the Effective Date, all actions contemplated under this Plan, regardless of whether taken before, on, or after the Effective Date, shall be deemed authorized and approved in all respects, including: (a) consummation of the Asset Sale; and (b) all other actions contemplated under this Plan (whether to occur before, on, or after the Effective Date). All matters provided for in this Plan or deemed necessary or desirable by the Debtors before, on, or after the Effective Date involving the corporate structure of the Debtors or the Wind-Down Debtors, and any corporate action required by the Debtors or the Wind-Down Debtors in connection with this Plan or the corporate structure of the Debtors or Wind-Down Debtors, shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the equity holders, directors, managers, or officers of the Debtors or the Wind-Down Debtors. Before, on, or after the Effective Date, the appropriate officers of the Debtors or the Wind-Down Debtors, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under this Plan (or necessary or desirable to effect the transactions contemplated under this Plan) in the name of and on behalf of the Wind-Down Debtors. The authorizations and approvals contemplated by this Section IV.F shall be effective notwithstanding any requirements under non-bankruptcy law.

## **9. Effectuating Documents; Further Transactions**

Prior to the Effective Date, the Debtors are, and on and after the Effective Date, the Wind-Down Debtors, the Plan Administrator, and the officers and members thereof are, authorized to and may issue, execute, deliver, file, or record to the extent not inconsistent with any provision of this Plan such contracts, securities, instruments, releases, and other agreements or documents

and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Plan, without the need for any approvals, authorizations, notice, or consents, except for those expressly required pursuant to this Plan.

#### **10. Preservation of Causes of Action**

Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in this Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Debtors shall convey to the Plan Administrator all rights to commence, prosecute, or settle, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, which shall vest in the Plan Administrator pursuant to the terms of this Plan. The Plan Administrator may enforce all rights to commence, prosecute, or settle, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, and the Plan Administrator's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Plan Administrator may, in its reasonable business judgment, pursue such Causes of Action and may retain and compensate professionals in the analysis or pursuit of such Causes of Action to the extent the Plan Administrator deems appropriate, including on a contingency fee basis. **No Entity may rely on the absence of a specific reference in this Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Plan Administrator will not pursue any and all available Causes of Action against it. The Debtors and the Plan Administrator expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in this Plan; provided that the Wind-Down Debtors, in consultation with the Plan Administrator after the Effective Date, may prosecute any such Cause of Action against any party only in connection with their objection to and resolution of any Claim asserted by such party.** Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in this Plan or a Final Order, the Plan Administrator expressly reserves all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. The Plan Administrator shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to, or action, order, or approval of, the Bankruptcy Court.

#### **11. Closing the Chapter 11 Cases**

The Wind-Down Debtors shall, promptly after the full administration of the Chapter 11 Cases, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases, provided, as of the Effective Date, the Wind-Down Debtors may submit separate orders to the Bankruptcy Court under certification of counsel previously provided to the U.S. Trustee closing certain individual Chapter 11 Cases and changing the caption of the Chapter 11 Cases accordingly, provided further that matters concerning Claims may be heard and adjudicated in one of the Debtors' chapter 11 cases that remains open regardless of whether the applicable Claim is against a Debtor in a Chapter

11 Case that is closed. Nothing in this Plan shall authorize the closing of any case effective as of a date that precedes the date any such order is entered. Any request for such relief shall be made on motion served on the U.S. Trustee, and the Bankruptcy Court shall rule on such request after notice and a hearing. Upon the filing of a motion to close the last Chapter 11 Case remaining open, the Wind-Down Debtors shall file a final report with respect to all of the Chapter 11 Cases pursuant to Local Rule 3022-1(c).

When all Disputed Claims have become Allowed or Disallowed and all remaining Cash has been distributed in accordance with this Plan, the Plan Administrator shall seek authority from the Bankruptcy Court to close the Chapter 11 Case of the Debtors in accordance with the Bankruptcy Code and the Bankruptcy Rules.

## **V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

### **A. Assumption and Rejection of Executory Contracts and Unexpired Leases**

If an Asset Sale Distribution is elected, on the Effective Date, except as otherwise provided herein or in the Confirmation Order, each Executory Contract and Unexpired Lease that is not assumed or assigned pursuant to the Purchase and Sale Agreement or Sale Order shall be deemed automatically rejected.

If an Equitization Restructuring is elected, on the Effective Date, except as otherwise provided herein, each Executory Contract and Unexpired Lease shall be deemed automatically assumed by the applicable Debtor as of the Effective Date other than those contracts and leases that are identified on the Rejected Executory Contracts and Unexpired Leases Schedule.

Such automatic assumption or rejection, as applicable, shall be effective without the need for any further notice to or action, order, or approval of the Bankruptcy Court, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than any Executory Contracts and Unexpired Leases that: (a) have been previously assumed, assumed and assigned, or rejected pursuant to a Bankruptcy Court order; (b) are the subject of a motion to assume, assume and assign, or reject such Executory Contract or Unexpired Lease (or of a Filed objection with respect to the proposed assumption, assumption and assignment, or rejection of such Executory Contract or Unexpired Lease) that is pending on the Effective Date; or (c) are a contract, release, or other agreement or document entered into in connection with the Plan. The assumption or rejection of Executory Contracts and Unexpired Leases hereunder may include the assignment of certain of such contracts to Affiliates. The Confirmation Order will constitute an order of the Bankruptcy Court approving, subject to and upon the occurrence of the Effective Date, the above-described assumptions and assumptions and assignments, or rejections, as applicable. Any Filed motions to assume, assume and assign, or reject any Executory Contracts or Unexpired Leases (or Filed objection with respect to the proposed assumption and assignment of such contract) that is pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order but may be withdrawn, settled, or otherwise prosecuted by the Reorganized Debtors or the Plan Administrator, with any such disposition to be deemed to effect an assumption, assumption and assignment, or rejection, as applicable, as of the Effective Date.

Except as otherwise provided herein or agreed to by the Debtors and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith.

## **B. Indemnification Obligations**

All Indemnification Provisions, consistent with applicable law, in place as of the Effective Date (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, limited partnership agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, or otherwise) for the members of any Governing Body, directors, officers, managers, or employees (each of the foregoing, to the extent such person held such position on or after the Petition Date), shall be reinstated and remain intact, in accordance with their terms and shall survive the Effective Date.

On or before the Effective Date, the Reorganized Debtors shall and are authorized to procure insurance tail coverage, unless otherwise agreed between the Debtors and the DIP Agent. To the extent any Entity seeks payment under an Indemnification Provision from the Reorganized Debtors, such Entity and/or the Reorganized Debtors shall use commercially reasonable efforts to first or simultaneously pursue coverage under, and pursue claims from, the insurance (including any available directors and officers insurance policy, runoff policy, excess DIC policy, management liability solutions policy, excess protect liability insurance, excess liability insurance, excess select insurance policy, or excess policy declarations in which the Reorganized Debtors have an interest or that provides or may provide coverage for the Reorganized Debtors or any other available insurance policy or coverage of any kind in which the Reorganized Debtors or have an interest or that provides or may provide coverage for the Reorganized Debtors (without limiting or altering the entitlement to, or timing of, payment under such Indemnification Provision)).

## **C. Claims Based on Rejection of Executory Contracts or Unexpired Leases**

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to this Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within thirty (30) days after the later of (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, (2) the effective date of such rejection, or (3) the Effective Date. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors or the Wind-Down Debtors, as applicable, the Estates, or their property without the need for any objection by the Reorganized Debtors or the Wind-Down Debtors, as applicable, or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the**

**Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Proof of Claim to the contrary.** All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Section III.B of this Plan.

**D. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases**

Notice of proposed Cures will be provided to counterparties pursuant to the assumption procedures approved by the Bankruptcy Court in relation to the Sale. Each counterparty will have until 5:00 p.m. (prevailing Eastern Time) on the date that is fourteen (14) days after filing and service of the notice to object to the assumption and assignment of its contract on any ground, including, without limitation, the amount of the proposed Cure. If an Asset Sale Distribution is elected, any unresolved objection shall be heard at the Sale Hearing, unless otherwise agreed by the parties. If an Equitization Restructuring is elected, any such objection will be scheduled to be heard by the Bankruptcy Court at the Debtors' or Reorganized Debtors' first scheduled omnibus hearing for which such objection is timely filed. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.

If an Asset Sale Distribution is elected, payment of the Cures will be subject to the Sale Order and the Purchase and Sale Agreement. If an Equitization Restructuring is elected, the Debtors or the Reorganized Debtors, as applicable, shall pay Cures, if any, on the Effective Date or as soon as reasonably practicable thereafter.

If there is any dispute regarding any Cure, the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors, the Reorganized Debtors, or the Purchaser, as applicable, and the counterparty to the Executory Contract or Unexpired Lease.

Assumption of any Executory Contract or Unexpired Lease pursuant to this Plan or otherwise and full payment of any applicable Cure pursuant to this Section V.D shall result in the full release and satisfaction of any Cures, Claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including pursuant to the Confirmation Order, and for which any Cure has been fully paid pursuant to this Section V.D, shall be deemed Disallowed and expunged as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

Notwithstanding anything to the contrary herein, in the event of an Asset Sale Distribution, the terms of the Purchase and Sale Agreement and the Sale Order and any other related orders of

the Bankruptcy Court, to the extent inconsistent with the terms of this Plan, shall govern matters relating to the cure of defaults or compliance with any other provisions of section 365(b) of the Bankruptcy Code in connection with the assumption and assignment to the Purchaser of any Executory Contracts and Unexpired Leases.

**E. Insurance Policies**

Each of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under this Plan.

In the event of an Asset Sale Distribution, unless otherwise provided in this Plan and except for the D&O Liability Insurance Policies, on the Effective Date, the Debtors shall be deemed to have rejected all insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims.

In the event of an Equitization Restructuring, unless otherwise provided in this Plan, on the Effective Date, (1) the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims and (2) such insurance policies and any agreements, documents, or instruments relating thereto shall revest in the Reorganized Debtors or the Wind-Down Debtors, as applicable.

**F. Reservation of Rights**

Nothing contained in this Plan or the Plan Supplement, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Debtors or Wind-Down Debtors, as applicable, have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease under this Plan.

**G. Nonoccurrence of Effective Date**

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

**H. Employee Compensation and Benefits**

**1. Compensation and Benefit Programs**

Subject to the provisions of this Plan and except as set forth in the Rejected Executory Contracts and Unexpired Leases Schedule, all Compensation and Benefits Programs shall be treated as Executory Contracts under this Plan and deemed assumed on the Effective Date pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, except for:

- (a) all employee equity or equity-based incentive plans, and any provisions set forth in the Compensation and Benefits Program that provide for rights to acquire Interests in any of the Debtors; and
- (b) Compensation and Benefits Programs that, as of the entry of the Confirmation Order, have been specifically waived by the beneficiaries of any employee benefit plan or contract.

Neither the transactions contemplated by this Plan nor any assumption of Compensation and Benefits Programs pursuant to the terms herein shall be deemed to trigger any applicable change of control, immediate vesting, termination, or similar provisions therein. On the Effective Date, no counterparty shall have rights under a Compensation and Benefits Program assumed pursuant to this Plan other than those applicable immediately prior to such assumption.

## **2. Workers' Compensation Programs**

In the event of an Equitization Restructuring, as of the Effective Date, except as set forth in the Plan Supplement, the Debtors and the Reorganized Debtors shall continue to honor their obligations under: (a) all applicable workers' compensation laws in all applicable states; and (b) the Workers' Compensation Programs. All Proofs of Claims on account of Workers' Compensation Programs shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; *provided* that nothing in this Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to the Workers' Compensation Programs; *provided further* that nothing herein shall be deemed to impose any obligations on the Debtors or the Insurers in addition to what is provided for under the terms of the Workers' Compensation Programs and applicable state law.

### **I. Contracts and Leases Entered Into after the Petition Date**

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor, Reorganized Debtor, Wind-Down Debtor, or Purchaser (to the extent assigned to the Purchaser in the event of an Asset Sale) in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

## **VI. PROVISIONS GOVERNING DISTRIBUTIONS**

### **A. Timing and Calculation of Amounts to Be Distributed**

Unless otherwise provided in the Plan, on the initial Distribution Date (or if a Claim is not an Allowed Claim or Allowed Interest on the initial Distribution Date, on the next Distribution Date after such Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), or as soon as is reasonably practicable thereafter, each Holder of an Allowed Claim or Allowed Interests (as applicable) shall receive the full amount of the distributions that this Plan provides for Allowed Claims or Allowed Interests (as applicable) in the applicable Class. In the event that any payment or act under this Plan is required to be made or

performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Disputed Interests, distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VIII of this Plan. Except as otherwise provided in this Plan, Holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the distributions provided for in this Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

**B. Disbursing Agent**

All distributions under this Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors or the Wind-Down Debtors, as applicable.

**C. Rights and Powers of Disbursing Agent**

**1. Powers of the Disbursing Agent**

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under this Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

**2. Expenses Incurred On or After the Effective Date**

Except as otherwise ordered by the Bankruptcy Court, to the extent the Disbursing Agent is an Entity other than the Reorganized Debtors or the Wind-Down Debtors, the amount of any reasonable fees and expenses incurred by such Disbursing Agent on or after the Effective Date (including taxes), and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses), made by such Disbursing Agent shall be paid in Cash by the Reorganized Debtors or the Wind-Down Debtors, as applicable.

**D. Delivery of Distributions and Undeliverable or Unclaimed Distributions**

**1. Record Date for Distribution**

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

## **2. Delivery of Distributions in General**

Except as otherwise provided herein, the Disbursing Agent shall make distributions to Holders of Allowed Claims and Allowed Interests (as applicable) as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution; *provided* that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors or the Wind-Down Debtors, as applicable; *provided, further*, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder.

## **3. Undeliverable Distributions and Unclaimed Property**

In the event that any distribution to any Holder of Allowed Claims or Allowed Interests (as applicable) is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided* that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors or the Wind-Down Debtors, as applicable automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder of Claims and Interests to such property or Interest in property shall be discharged and forever barred.

### **E. Manner of Payment**

At the option of the Disbursing Agent, any Cash payment to be made hereunder may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

### **F. Compliance with Tax Requirements**

In connection with this Plan, to the extent applicable, the Debtors, the Reorganized Debtors or the Wind-Down Debtors, as applicable, the Disbursing Agent, and any applicable withholding agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions made pursuant to this Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in this Plan to the contrary, such parties shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under this Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors, Reorganized Debtors, and the Wind-Down Debtors reserve the right to allocate all distributions made under this Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

**G. Allocations**

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

**H. No Postpetition Interest on Claims**

Unless otherwise specifically provided for in this Plan or the Confirmation Order, or required by applicable bankruptcy and non-bankruptcy law, postpetition interest shall not accrue or be paid on any prepetition Claims against the Debtors, and no Holder of a prepetition Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such prepetition Claim. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

**I. Foreign Currency Exchange Rate**

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal*, National Edition, on the Effective Date.

**J. Setoffs and Recoupment**

Except as expressly provided in this Plan, each Reorganized Debtor or each Wind-Down Debtor may, pursuant to section 553 of the Bankruptcy Code, set off and/or recoup against any distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that such Reorganized Debtor or Wind-Down Debtor may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Reorganized Debtor(s) or Wind-Down Debtor(s) and the Holder of the Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction; *provided, however*, that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by a Reorganized Debtor, a Wind-Down Debtor, or its successor of any and all claims, rights, and Causes of Action that such Reorganized Debtor, a Wind-Down Debtor, or its successor may possess against the applicable Holder. In no event shall any Holder of a Claim be entitled to recoup such Claim against any claim, right, or Cause of Action of the Debtors, the Reorganized Debtors, or the Wind-Down Debtors as applicable, unless such Holder actually has performed such recoupment in advance writing with consents or Court authority and in accordance with this Plan on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

**K. Claims Paid or Payable by Third Parties**

**1. Claims Paid by Third Parties**

The Debtors, the Reorganized Debtors, or the Wind-Down Debtors as applicable, shall reduce in full a Claim, and such Claim shall be Disallowed without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor, a Reorganized Debtor, or a Wind-Down Debtor. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor, a Reorganized Debtor, or a Wind-Down Debtor on account of such Claim, such Holder shall, within fourteen (14) days of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor or Wind-Down Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of such Claim as of the date of any such distribution under this Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Reorganized Debtor or Wind-Down Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the fourteen (14) day grace period specified above until the amount is repaid.

**2. Claims Payable by Third Parties**

No distributions under this Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' Insurance Contracts until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Contract. To the extent that one or more of the Debtors' Insurers agrees to pay in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction or otherwise settled), then immediately upon such Insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

**3. Applicability of Insurance Policies**

Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in this Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such Insurers of any defenses, including coverage defenses, held by such Insurers.

**VII. THE PLAN ADMINISTRATOR**

For the avoidance of doubt, a Plan Administrator will only be appointed if an Asset Sale Distribution is elected. Therefore, the provisions of this Article VII only apply if an Asset Sale Distribution is elected.

## **A. The Plan Administrator**

The powers of the Plan Administrator shall include any and all powers and authority to implement this Plan and wind down the business and affairs of the Debtors and the Wind-Down Debtors, including: (1) liquidating, receiving, holding, investing, supervising, and protecting the assets of the Wind-Down Debtor in accordance with the Wind-Down Milestones and Wind-Down Budget; (2) taking all steps to execute all instruments and documents necessary to effectuate the distributions to be made under this Plan in accordance with the Wind-Down Budget; (3) making distributions as contemplated under this Plan; (4) establishing and maintaining bank accounts in the name of the Wind-Down Debtors; (5) subject to the terms set forth herein, employing, retaining, terminating, or replacing professionals to represent it with respect to its responsibilities or otherwise effectuating this Plan to the extent necessary; (6) paying all reasonable fees, expenses, debts, charges, and liabilities of the Wind Down on and after the Effective Date; (7) administering and paying taxes of the Wind-Down Debtors, including filing tax returns; (8) representing the interests of the Wind-Down Debtors or the Estates before any taxing authority in all matters, including any action, suit, proceeding, or audit; and (9) exercising such other powers as may be vested in it pursuant to order of the Bankruptcy Court or pursuant to this Plan, or as it reasonably deems to be necessary and proper to carry out the provisions of this Plan, in each case of the forgoing clauses, strictly in accordance with the Wind-Down Milestones and Wind-Down Budget.

The Plan Administrator may resign at any time upon 30 days' written notice delivered to the Bankruptcy Court; *provided* that such resignation shall only become effective upon the appointment of a permanent or interim successor Plan Administrator in accordance with the Plan Administrator Agreement. Upon its appointment, the successor Plan Administrator, without any further act, shall become fully vested with all of the rights, powers, duties, and obligations of its predecessor (as set forth in the Plan Administrator Agreement) and all responsibilities of the predecessor Plan Administrator relating to the Wind-Down Debtors in the Plan Administrator Agreement shall be terminated.

### **1. Plan Administrator Rights and Powers**

The Plan Administrator shall retain and have all the rights, powers, and duties necessary to carry out his or her responsibilities under this Plan in accordance with the Wind-Down Milestones and Wind-Down Budget, and as otherwise provided in the Confirmation Order. The Plan Administrator shall be the exclusive trustee of the assets of the Wind-Down Debtors for the purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estates appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code.

### **2. Compensation and Expenses of the Plan Administrator**

The Plan Administrator's post Effective Date compensation will be set forth in the Plan Supplement and paid out of the Wind-Down Budget and Plan Administrator Assets.

### **3. Wind-Down Budget**

The Debtors shall include in the Plan Supplement a Wind-Down Budget.

**B. Wind-Down**

On and after the Effective Date, the Plan Administrator will be authorized and directed to implement this Plan and any applicable orders of the Bankruptcy Court in accordance with the Wind-Down Milestones and Wind-Down Budget, and the Plan Administrator shall have the power and authority to take any action necessary to wind down and dissolve the Debtors' Estates in accordance with the Wind-Down Milestones and Wind-Down Budget.

As soon as practicable after the Effective Date, the Plan Administrator shall: (1) cause the Debtors and the Wind-Down Debtors, as applicable, to comply with, and abide by, the terms of the Purchase and Sale Agreement and any other documents contemplated thereby; (2) to the extent applicable, file a certificate of dissolution or equivalent document, together with all other necessary corporate and company documents, to effect the dissolution of the Debtors under the applicable laws of their state of incorporation or formation (as applicable); and (3) take such other actions in accordance with the Wind-Down Milestones and Wind-Down Budget as the Plan Administrator may determine to be necessary or desirable to carry out the purposes of this Plan. Any certificate of dissolution or equivalent document may be executed by the Plan Administrator without need for any action or approval by the shareholders, board of directors or managers, or Governing Body of any Debtor. From and after the Effective Date, except with respect to the Wind-Down Debtors as set forth herein, the Debtors (1) for all purposes shall be deemed to have withdrawn their business operations from any state in which the Debtors were previously conducting, or are registered or licensed to conduct, their business operations, and shall not be required to file any document, pay any sum, or take any other action in order to effectuate such withdrawal, (2) shall be deemed to have canceled pursuant to this Plan all Interests, and (3) shall not be liable in any manner to any taxing authority for franchise, business, license, or similar taxes accruing on or after the Effective Date. Notwithstanding the Debtors' dissolution, the Debtors shall be deemed to remain intact solely with respect to the preparation, filing, review, and resolution of applications for Professional Fee Claims.

The filing of the final monthly report (for the month in which the Effective Date occurs) and all subsequent quarterly reports shall be the responsibility of the Plan Administrator.

**C. Tax Returns**

After the Effective Date, the Plan Administrator shall complete and file all final or otherwise required federal, state, and local tax returns for each of the Debtors reflecting all tax consequences relating to the activities of the Wind-Down Debtors as attributable to and for the account of the Debtors, and, pursuant to section 505(b) of the Bankruptcy Code, may request an expedited determination of any unpaid tax liability of such Debtor or its Estate for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws.

**D. Dissolution of the Wind-Down Debtors**

Upon a certification to be Filed with the Bankruptcy Court by the Plan Administrator of all distributions having been made and completion of all its duties under this Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind-Down Debtors shall be deemed to be

dissolved without any further action by the Wind-Down Debtors, including the filing of any documents with the secretary of state for the state in which the Wind-Down Debtor is formed or any other jurisdiction. The Plan Administrator, however, shall have authority to take all necessary actions to dissolve the Wind-Down Debtors in and withdraw the Wind-Down Debtors from applicable state(s).

## **VIII. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS**

### **A. Objections to Claims**

After the Effective Date, the Reorganized Debtors or the Wind-Down Debtors, as applicable, shall have the exclusive authority to file objections to all Claims, and the exclusive authority to settle, compromise, or litigate to judgment any objections to Claims that he or she files. **The Reorganized Debtors or the Wind-Down Debtors, as applicable, may settle or compromise any Disputed Claim without approval of the Bankruptcy Court.**

### **B. Objection Deadline**

As soon as practicable, but no later than the Claims Objection Deadline, the Reorganized Debtors or the Wind-Down Debtors, as applicable, may file objections to Claims with the Bankruptcy Court and serve such objections on the holders of the Claims to which such objections are made. Nothing contained herein, however, shall limit the right of the Reorganized Debtors or the Wind-Down Debtors, as applicable, to object to Claims, if any, filed or amended after the Claims Objection Deadline. The Claims Objection Deadline may be extended by the Bankruptcy Court upon motion by the Debtors, the Reorganized Debtors, or the Wind-Down Debtors.

For the avoidance of doubt, no Claim is or shall be deemed Allowed except the DIP Claims and the RBL Claims, until the later of the Claims Objection Deadline or the expiration of some other applicable period of limitation fixed by the Bankruptcy Code, Bankruptcy Rules, or Bankruptcy Court, unless otherwise ordered by a Final Order of the Bankruptcy Court or Allowed pursuant to this Plan.

### **C. Estimation of Claims**

The Reorganized Debtors or the Wind-Down Debtors, as applicable, may at any time request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to Bankruptcy Code section 502(c), regardless of whether the Reorganized Debtors, the Wind-Down Debtors, or the Debtors have previously objected to such Claim or whether the Bankruptcy Court has ruled on any objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Reorganized Debtors or the Wind-Down Debtors may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned objection, estimation, and resolution procedures are cumulative and are not necessarily exclusive of one another.

**D. No Distributions Pending Allowance**

Notwithstanding any provision in the Plan to the contrary, no distributions, partial or otherwise, shall be made with respect to a Disputed Claim until such Claim becomes an Allowed Claim. Subject to the provisions of the Plan, after a Disputed Claim becomes an Allowed Claim, the holder of such an Allowed Claim will receive all distributions to which such holder is then entitled under the Plan on the next scheduled distribution date or as the Reorganized Debtors or the Wind-Down Debtors, as applicable, otherwise determine in their reasonable discretion. No post-Effective Date interest shall be paid on distributions under this section of the Plan. If the holder of a Claim incorporates more than one Claim in a Proof of Claim then: (i) such Claims will be considered one Claim for purposes of this Plan; and (ii) no such Claim will be bifurcated into an Allowed portion and a Disputed portion.

**E. Distributions After Allowance**

As soon as reasonably practicable after the date that an order or judgment of the Bankruptcy Court allowing all or part of any General Unsecured Claim that is a Disputed Claim becomes a Final Order, the Reorganized Debtor shall distribute to the Holder of such Claim the distribution (if any) that would have been made to such Holder had such Allowed General Unsecured Claim been Allowed when distributions were made. After a Disputed Claim becomes an Allowed General Unsecured Claim or is otherwise resolved, any excess Cash or other property that was reserved on account of such Disputed Claim, if any, shall become property of the Reorganized Debtors or the Wind-Down Debtors, as applicable, for the benefit of Allowed General Unsecured Claims.

**F. Reduction of Claims**

Notwithstanding the contents of the Bankruptcy Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Bankruptcy Schedules, such Bankruptcy Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in this Plan shall preclude the Reorganized Debtors or Wind-Down Debtors, as applicable, from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Effective Date.

**G. Adjustment to Claims or Interests without Objection**

Any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the Claims Register by the Reorganized Debtors or the Wind-Down Debtors, as applicable without such Reorganized Debtors or Wind-Down Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

## **H. Disallowance of Claims or Interests**

All Claims and Interests of any Entity from which property is sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors, the Reorganized Debtors, or the Wind-Down Debtors allege is a transferee of a transfer that is avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if: (a) the Entity, on the one hand, and the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code; and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

## **IX. SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS**

### **A. Discharge of Claims and Termination of Interests; Compromise and Settlement of Claims, Equity Interests, and Controversies**

Pursuant to and to the fullest extent permitted by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in this Plan (including with respect to Reinstated Claims), the Confirmation Order or in any contract, instrument, or other agreement or document created pursuant to this Plan, the distributions, rights, and treatment that are provided in this Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted this Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

In consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests,

and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle any Claims against the Debtors and their Estates, as well as claims and Causes of Action against other Entities.

#### **B. Release of Liens**

Except as otherwise provided in the Exit Facility Documents, this Plan, the Confirmation Order, or any contract, instrument, release, or other agreement or document created pursuant to this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to this Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date and required to be satisfied pursuant to the Plan, except for Other Secured Claims that the Debtors elect to Reinstate in accordance with Section III.B.1 of this Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed, at the sole cost and expense of the Reorganized Debtors or the Wind-Down Debtors, as applicable, to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Reorganized Debtors or the Wind-Down Debtors, as applicable, to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

#### **C. Releases by the Debtors**

Notwithstanding anything contained in this Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed to be hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtors, the Reorganized Debtors or the Wind-Down Debtors, as applicable, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims and Causes of Action, including any derivative claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtors, the Reorganized Debtors or the Wind-Down Debtors, as applicable, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, or that any Holder of any Claim against, or Interest in, a Debtor or other Entity could have asserted on behalf of the Debtors, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the capital

structure, management, ownership, or operation thereof), the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), intercompany transactions, the Chapter 11 Cases, the RBL Credit Documents, the Term Loan Credit Documents, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the DIP Credit Agreement, the Exit Facility, the Purchase and Sale Agreement, this Plan (including, for the avoidance of doubt, the Plan Supplement), or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document or other agreement contemplated by this Plan or the reliance by any Released Party on this Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Disclosure Statement, the DIP Credit Agreement, or this Plan, the Plan Supplement, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under this Plan, the Confirmation Order, any Restructuring Transactions, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan, including the Exit Facility Documents, or any Claim or obligation arising under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the Restructuring Transactions and implementing this Plan; (b) a good-faith settlement and compromise of the Claims released by the Debtor Release; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any of the Debtors, the Reorganized Debtors or the Wind-Down Debtors, as applicable, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

#### **D. Releases by the Releasing Parties**

Except as otherwise expressly set forth in this Plan or the Confirmation Order, on and after the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged by each Releasing Party from any and all Causes of Action, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort, or otherwise, including any derivative claims asserted on behalf of the Debtors,

that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the capital structure, management, ownership, or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), intercompany transactions, the Chapter 11 Cases, the RBL Credit Documents, the Term Loan Credit Documents, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the DIP Credit Agreement, the Exit Facility, the Purchase and Sale Agreement, this Plan (including, for the avoidance of doubt, the Plan Supplement), or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document or other agreement contemplated by this Plan or the reliance by any Released Party on this Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the Disclosure Statement, this Plan, the Plan Supplement, before or during the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (i) any party of any obligations related to customary banking products, banking services or other financial accommodations (except as may be expressly amended or modified by this Plan and the Exit Facility Credit Agreements, or any other financing document under and as defined therein) or (ii) any post-Effective Date obligations of any party or Entity under this Plan, the Confirmation Order, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan, including the Exit Facility Documents, or any Claim or obligation arising under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of this Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties; (d) a good-faith settlement and compromise of the Claims released by the Third-Party Release; (e) in the best interests of the Debtors and their Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any claim or Cause of Action released pursuant to the Third-Party Release.

#### **E. Exculpation**

Except as otherwise specifically provided in this Plan or the Confirmation Order, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the

formulation, preparation, dissemination, negotiation, filing, or termination of and related prepetition transactions, the Disclosure Statement, this Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document or other agreement contemplated by this Plan or the reliance by any Released Party on this Plan or the Confirmation Order in lieu of such legal opinion) created or entered into before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence.

The Exculpated Parties and other parties set forth above have, and upon confirmation of this Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to this Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan.

#### **F. Injunction**

Except as otherwise expressly provided in this Plan or the Confirmation Order or for obligations issued or required to be paid pursuant to this Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released, discharged, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors or the Wind-Down Debtors, as applicable, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the Estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on

**account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to this Plan.**

**G. Protections against Discriminatory Treatment**

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or the Wind-Down Debtors, as applicable, or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

**H. Document Retention**

On and after the Effective Date, the Reorganized Debtors or the Wind-Down Debtors, as applicable, may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors or the Wind-Down Debtors, as applicable.

**I. Reimbursement or Contribution**

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

**X. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THIS PLAN**

**A. Conditions Precedent to the Effective Date**

It shall be a condition to the Effective Date of this Plan that the following conditions (“Conditions Precedent”) shall have been satisfied or waived pursuant to the provisions of Section X.B of this Plan:

- (a) the Bankruptcy Court shall have entered the Confirmation Order;
- (b) the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are determined by the Debtors, the DIP Agent, or the RBL Agent to be necessary to

implement and effectuate this Plan and that are required by law, regulation, or order;

- (c) the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein, in form and substance acceptable to the DIP Agent and the RBL Agent, shall have been Filed in a manner consistent in all material respects with this Plan;
- (d) all professional fees and expenses of retained professionals required to be approved by the Bankruptcy Court shall have been paid in full or amounts estimated to be sufficient to pay such fees and expenses after the Effective Date have been placed in the Professional Fee Escrow Account pending approval by the Bankruptcy Court;
- (e) in the event of the Asset Sale Distribution, the conditions to closing of the Purchase and Sale Agreement shall have been satisfied;
- (f) in the event of the Asset Sale Distribution, the Purchase and Sale Agreement shall have been executed and remain in full force and effect;
- (g) in the event of the Equitization Restructuring, entry into the Exit Facility Documents, and all conditions precedent to the consummation of such Exit Facility Documents shall have been waived or satisfied in accordance with the terms thereof and the closing of such Exit Facility Documents shall have occurred;
- (h) in the event of the Equitization Restructuring, the New Equity Interests shall have been issued by the Reorganized Debtors, as applicable, in accordance with the New Organizational Documents;
- (i) the Reorganized Debtors or the Wind-Down Debtors, as applicable, shall have procured or become insured under policies acceptable to the Debtors;
- (j) the execution of Definitive Documentation is mutually acceptable to the Debtors, the Requisite DIP Lenders, and the Requisite RBL Lenders; and
- (k) the Debtors shall have otherwise substantially consummated the applicable Restructuring Transaction, and all transactions contemplated herein, in a manner consistent in all respects with this Plan.

## **B. Waiver of Conditions**

The conditions to Confirmation and Consummation set forth in this Article X may be waived by the Debtors only with the prior written consent of the DIP Agent (email shall suffice),

without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate this Plan; *provided, however*, that the condition set forth in Section X.A(a) of this Plan may not be waived.

**C. Effect of Failure of Conditions**

If Consummation does not occur, this Plan shall be null and void in all respects and nothing contained in this Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, or Claims against, or Interests in, the Debtors; (2) prejudice in any manner the rights of the Debtors, any Holders of Claims or Interests, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders of Claims or Interests, or any other Entity.

**D. Substantial Consummation**

“Substantial Consummation” of this Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

**XI. MODIFICATION, REVOCATION, OR WITHDRAWAL OF THIS PLAN**

**A. Modification and Amendments**

Except as otherwise specifically provided in this Plan, the Debtors reserve the right to modify this Plan with the written consent of the DIP Agent, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Subject to those restrictions on modifications set forth in this Plan and the requirements of section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019, and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, each of the Debtors expressly reserves its respective rights to revoke or withdraw, or, to alter, amend, or modify this Plan with respect to such Debtor, one or more times, after Confirmation, and, to the extent necessary may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify this Plan, or remedy any defect or omission, or reconcile any inconsistencies in this Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of this Plan.

**B. Effect of Confirmation on Modifications**

Entry of the Confirmation Order shall mean that all modifications or amendments to this Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

**C. Revocation or Withdrawal of Plan**

The Debtors reserve the right to revoke or withdraw this Plan prior to the Confirmation Date and to File subsequent plans of reorganization. If the Debtors revoke or withdraw this Plan, or if Confirmation or Consummation does not occur, then: (1) this Plan shall be null and void in all respects; (2) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption

or rejection of Executory Contracts or Unexpired Leases effected under this Plan, and any document or agreement executed pursuant to this Plan, shall be deemed null and void; and (3) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor or any other Entity.

## **XII. RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, or relating to, the Chapter 11 Cases and this Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

- (a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;
- (b) decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or this Plan;
- (c) resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure pursuant to section 365 of the Bankruptcy Code; (ii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (iii) the Reorganized Debtors or the Wind-Down Debtors, as applicable, amending, modifying, or supplementing, after the Effective Date, pursuant to Article V of this Plan, any Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;
- (d) ensure that distributions to Holders of Allowed Claims and Allowed Interests (as applicable) are accomplished pursuant to the provisions of this Plan;
- (e) adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or

deny any applications involving a Debtor that may be pending on the Effective Date;

- (f) adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
- (g) enter and implement such orders as may be necessary to execute, implement, or consummate the provisions of this Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with this Plan or the Disclosure Statement;
- (h) enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
- (i) resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of this Plan or any Entity's obligations incurred in connection with this Plan; *provided, however*, any dispute arising under the Exit Facility Documents shall be adjudicated in the forum set forth in such documents unless otherwise consented to by the Exit Agent;
- (j) issue injunctions, enter and implement other orders, or take such other actions as may be necessary to restrain interference by any Entity with Consummation or enforcement of this Plan;
- (k) resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, exculpations, and other provisions contained in Article IX of this Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, exculpations, and other provisions;
- (l) resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid pursuant to Section VI.K of this Plan;
- (m) enter and implement such orders as are necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
- (n) determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with this Plan, the Plan Supplement, or the Disclosure Statement;

- (o) enter an order concluding or closing the Chapter 11 Cases;
- (p) adjudicate any and all disputes arising from or relating to distributions under this Plan;
- (q) consider any modifications of this Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
- (r) determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;
- (s) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with this Plan;
- (t) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (u) hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions and releases granted in this Plan, including under Article IX of this Plan, regardless of whether such termination occurred prior to or after the Effective Date;
- (v) enforce all orders previously entered by the Bankruptcy Court; and
- (w) hear any other matter not inconsistent with the Bankruptcy Code.

As of the Effective Date, notwithstanding anything in this Article XII to the contrary, the Exit Facility shall be governed by the jurisdictional provisions therein and the Bankruptcy Court shall not retain any jurisdiction with respect thereto.

### **XIII. MISCELLANEOUS PROVISIONS**

#### **A. Immediate Binding Effect**

Subject to Section X.A of this Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of this Plan (including, for the avoidance of doubt, the Plan Supplement) shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted this Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in this Plan, each Entity acquiring property under this Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

**B. Additional Documents**

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary to effectuate and further evidence the terms and conditions of this Plan. The Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, and all Holders of Claims or Interests receiving distributions pursuant to this Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan.

**C. Payment of Statutory Fees**

All fees payable pursuant to section 1930(a) of the Judicial Code, and any interest accruing thereon pursuant to 31 U.S.C. § 3717, shall be paid by each of the Reorganized Debtors or the Wind-Down Debtors (or the Disbursing Agent on behalf of each of the Reorganized Debtors or the Wind-Down Debtors) for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

**D. Statutory Committee and Cessation of Fee and Expense Payment**

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases shall dissolve and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases. The Reorganized Debtors or the Wind-Down Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committees after the Effective Date.

**E. [Reserved]**

**F. Reservation of Rights**

Except as expressly set forth in this Plan, this Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of this Plan, any statement or provision contained in this Plan, or the taking of any action by any Debtor with respect to this Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests prior to the Effective Date.

**G. Successors and Assigns**

The rights, benefits, and obligations of any Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, manager, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

**H. Notices**

All notices, requests, and demands to or upon the Debtors to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

<b>Debtors</b>	<b>Counsel to the Debtors</b>
<p><b>Ursa Piceance Holdings LLC</b>            950 17th Street, Suite 1900            Denver, CO 80202            Attn: Jamie Chronister and Steve Skinner</p>	<p><b>Sidley Austin LLP</b>            1000 Louisiana, Suite 5900            Houston, Texas 77002            Attn: Duston K. McFaul and Maegan Quejada</p> <p>- and -</p> <p><b>Young Conaway Stargatt &amp; Taylor LLP</b>            Rodney Square            1000 North King Street            Wilmington, DE 19801            Attn: Robert S. Brady and Edmon L. Morton</p>
<b>United States Trustee</b>	
<p><b>Office of The United States Trustee</b>            844 King Street, Suite 2207            Lockbox 35            Wilmington, Delaware 19801            Attn: Joseph J. McMahon, Jr.            Richard L. Schepacarter</p>	
<b>DIP Agent</b>	<b>Counsel to DIP Agent</b>
<p><b>Wells Fargo Bank, N.A.</b>            1000 Louisiana, 9th Floor            Houston, Texas, 77002            Attn: Brett A. Steele</p>	<p><b>Willkie Farr &amp; Gallagher</b>            787 Seventh Avenue            New York, New York 10019            Attn: Ana M. Alfonso</p>

After the Effective Date, the Reorganized Debtors or the Wind-Down Debtors, as applicable, have the authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors or the Wind-Down Debtors, as applicable are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

**I. Term of Injunctions or Stays**

Unless otherwise provided in this Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

**J. Entire Agreement**

Except as otherwise indicated, this Plan (including, for the avoidance of doubt, the documents and instruments in the Plan Supplement) supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan.

**K. Exhibits and Annexes**

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of this Plan as if set forth in full in this Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at <https://cases.primeclerk.com/ursa> or the Bankruptcy Court's website at <http://www.deb.uscourts.gov>. To the extent any exhibit or document is inconsistent with the terms of this Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of this Plan shall control.

**L. Nonseverability of Plan Provisions**

If, prior to Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to this Plan and may not be deleted or modified without the Debtors', Reorganized Debtors', or the Wind-Down Debtors' consent, as applicable; and (3) non-severable and mutually dependent.

**M. Votes Solicited in Good Faith**

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on this Plan in good faith and in compliance with section 1125(g) of the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective

Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of securities offered and sold under this Plan and any previous plan, and, therefore, neither any of such parties or individuals, the Reorganized Debtors, or the Wind-Down Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on this Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under this Plan and any previous plan.

**N. Governing Law**

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of this Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control), and corporate governance matters; *provided, however*, that corporate governance matters relating to the Debtors, the Reorganized Debtors, or the Wind-Down Debtors, as applicable, not incorporated in Delaware shall be governed by the laws of the state of incorporation or formation of the relevant Debtor, the Reorganized Debtor, or the Wind-Down Debtor, as applicable.

**O. Waiver or Estoppel**

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in this Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

*[Remainder of page intentionally left blank.]*

Dated this 25th day of November, 2020

*/s/ Jamie Chronister*

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Jamie Chronister  
Chief Restructuring Officer  
*Ursa Piceance Holdings LLC, and  
Certain of Its Debtor Affiliates*