

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

In re:)	
	)	Chapter 11
SAMSON RESOURCES CORPORATION, <i>et al.</i> , ¹	)	Case No. 15-11934 (CSS)
Debtors.	)	(Jointly Administered)
)	

**DEBTORS’ MOTION FOR ENTRY OF AN ORDER
(I) ESTABLISHING BIDDING PROCEDURES AND GRANTING
RELATED RELIEF AND (II) APPROVING THE SALE OF CERTAIN ASSETS
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS**

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) respectfully state as follows in support of this motion.²

Introduction

1. Since the outset of these chapter 11 cases, the Debtors have sought—and continue to seek—the path that maximizes the value of the Debtors’ estates for all creditors. To that end, the Debtors have pursued a restructuring both before and after the commencement of these cases according to the best available, viable opportunities. The Debtors currently believe that the best way to maximize value for their creditors is through sales of some (not all) of their oil and gas assets. These sales—aggregate stalking horse bids of over \$320 million—will generate significant cash proceeds for recoveries to creditors. The Debtors may couple these bids with additional asset sales and/or may reorganize their remaining business under a chapter 11 plan.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); Samson Investment Company (1091); Samson Lone Star, LLC (9455); Samson Resources Company (8007); and Samson Resources Corporation (1227). The location of parent Debtor Samson Resources Corporation’s corporate headquarters and the Debtors’ service address is: Two West Second Street, Tulsa, Oklahoma 74103.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the applicable Stalking Horse Agreement and the Bidding Procedures, as applicable.

No decision has been made regarding certain additional asset sales, and the Debtors are in the midst of ongoing discussions with multiple potential bidders for those assets.

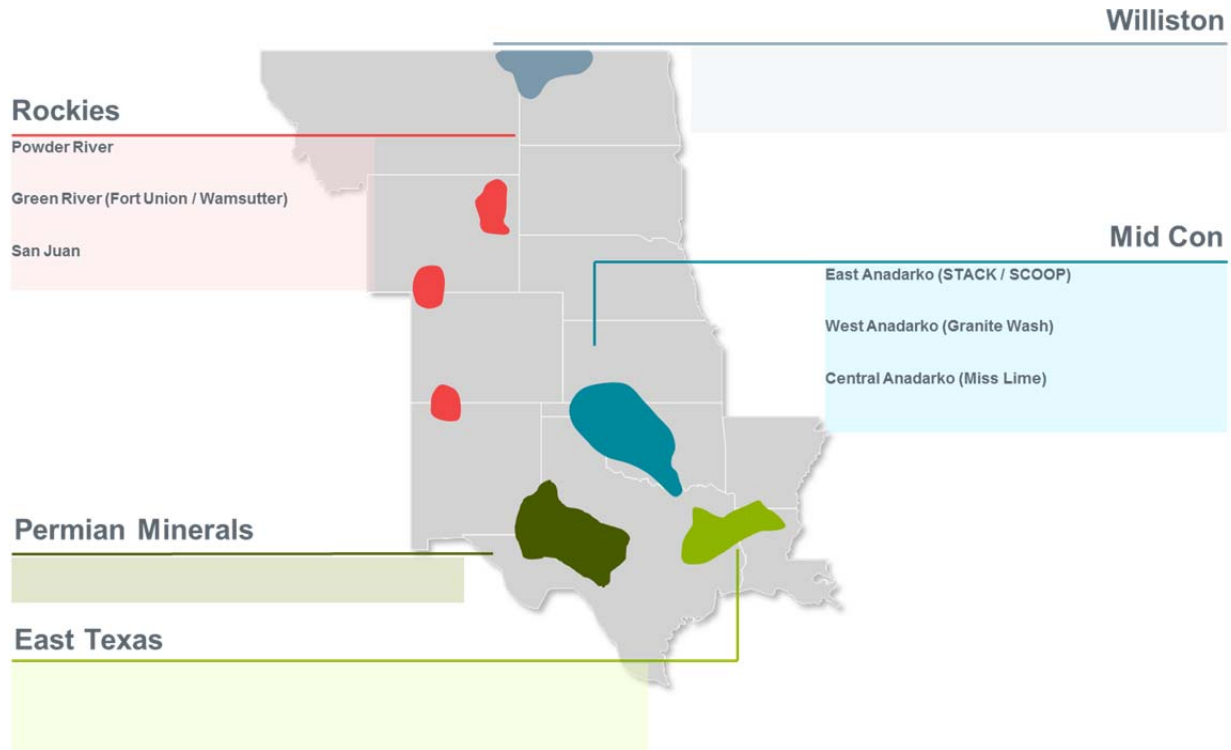
2. Prior to the Petition Date, the Debtors engaged in months-long restructuring negotiations with the second lien agent, second lien lenders, and a group of the senior noteholders. Ultimately, the Debtors, in consultation with their advisors, determined that the execution risk associated with the noteholder-led transaction made the transaction unworkable, and negotiations terminated in late July 2015. The Debtors continued discussions with the second lien lenders and filed these cases after successfully negotiated a restructuring support agreement with the second lien lenders.

3. Post-filing development, however, made the proposed restructuring transaction unworkable by late December 2015 or early January 2016. Most notable among these was a continued (and very significant) decline in the prices of natural gas and oil and a widening of credit spreads. In addition, the Debtors missed multiple milestones under the restructuring support agreement. As a result, the second lien lenders that had agreed to backstop the Debtors' proposed \$450 million rights offering, in January 2016 indicated they could no longer pursue the negotiated restructuring.

4. Concurrent with the plan process, the Debtors began marketing the Debtors' assets. The Debtors divided their assets into multiple asset packages to facilitate bids on all or a portion of their business:

- East Texas;
- MidCon East (Anadarko);
- MidCon West (Anadarko);
- MidCon Central (Anadarko);
- Powder River;

- Green River;
- San Juan;
- Williston; and
- Permian Minerals.



5. The bidding procedures proposed by this motion represent the final stage of a thorough and effective marketing process conducted by the Debtors and their advisors over the course of several months. Beginning in February 2016, the Debtors and their advisors contacted over 550 potential buyers, executed nondisclosure agreements with over 184 potential purchasers, and received indications of interest from 57 individual bidders that accounted for 84 individual package bids during the first round of the sale process. The Debtors and their advisors analyzed the bids received and reached out to approximately 32 bidders regarding a second round of bidding. This second round concluded on August 3 and August 22, 2016, when the Debtors received stalking horse bids for certain of their asset packages. In the weeks since

receiving those bids, the Debtors have engaged in further negotiations with bidders regarding the terms of their stalking horse bids and have negotiated final terms for certain of the bids. The Debtors continue to discuss other potential sales with certain other potential purchasers.

6. In light of the currently negotiated bids, the Debtors believe that there may be a combination of sales that will result in sale proceeds sufficient to significantly pay down the first lien lenders in cash while retaining sufficient assets around which the Debtors can reorganize and deliver value to second lien lenders and potentially unsecured creditors, but no decision has been made regarding the ultimate disposition of the Debtors' other assets, and the Debtors continue to engage in discussions with multiple potential bidders regarding additional asset sales (notably, including potential sales of asset packages for which the Debtors received bids later than the Stalking Horse Bids currently the subject of this motion). As of the filing of this motion, the Debtors have executed stalking horse agreements, including with (a) Tecolote Holdings, LLC, as to West Anadarko; (b) Resource Energy Can-Am LLC, as to Williston; and (c) The Southern Ute Indian Tribe, d/b/a Red Willow Production Company as to San Juan (each, a "Stalking Horse Agreement") and continue to negotiate bids with multiple bidders for all remaining asset packages. The Debtors have not yet determined whether or not to sell the remaining Assets.

7. The asset packages to be sold pursuant to this motion include:

- Williston, which consists of approximately 830,000 gross acres (57,000 net acres) in North Dakota and Montana, and 288 wells, 124 of which are operated;
- San Juan, which consists of approximately 191,800 gross acres (61,400 net acres) in Colorado and New Mexico, and 335 wells, 319 of which are operated;
- West Anadarko, which consists of approximately 633,000 gross acres (59,500 net acres) in Oklahoma and Texas, and 1,281 wells, 527 of which are operated; and
- potential other asset packages, if acceptable purchase prices and other terms can be agreed to between the Debtors and additional stalking horse purchasers before the September 27, 2016 hearing to consider entry of the Bidding Procedures Order. No decision has been made regarding potential additional sales, and the Debtors are currently engaged in discussions with multiple potential bidders.

8. The Debtors' marketing process has been generally supported by the Debtors' key creditor constituents, and the Debtors believe that the sales proposed by this motion (together with additional sales, if any) will maximize the value available for their creditors in these chapter 11 cases. The stalking horse bids will set baseline purchase prices from certain of the Debtors' assets, while allowing for the potential sale or reorganization of the Debtors' remaining assets and business and resolution of these chapter 11 cases.

Relief Requested

9. By this motion, the Debtors request entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Bidding Procedures Order"), (a) approving the proposed bidding procedures attached as **Schedule 1** to the Bidding Procedures Order (the "Bidding Procedures") by which the Debtors will solicit and select the highest or otherwise best offer for the sale of certain of their assets, including those more specifically identified in the Bidding Procedures (the "Assets") to be effectuated through one or more sales of the Assets (each, a "Sale Transaction"); (b) approving the procedures attached hereto as **Exhibit B** for the assumption and assignment of executory contracts and unexpired leases, including notice of proposed cure amounts (the "Assumption and Assignment Procedures"); (c) approving the form and manner of notice with respect to certain procedures, protections, schedules, and agreements described herein and attached hereto; (d) scheduling (i) approval of the Debtors' selection of one or more stalking horse bidders (each, a "Stalking Horse Bidder"), if any, and the provision of Bid Protections (as defined below) to such Stalking Horse Bidder; (ii) an auction (the "Auction") if the Debtors receive two or more timely and acceptable Qualified Bids (as defined below); and (iii) a final hearing (the "Sale Hearing") to approve one or more Sale Transactions; and (e) granting related relief. The Debtors further request that, at the Sale Hearing, this Court enter an order or orders (each, a "Sale Order"), which will be filed before the Sale Hearing, (a)

authorizing the sale of the Assets free and clear of liens, claims, interests, and encumbrances (collectively, the “Interests”); (b) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (c) granting related relief.

Jurisdiction and Venue

10. The United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The Debtors confirm their consent, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

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

12. The statutory bases for the relief requested herein are sections 105(a), 363, 365, 503, and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004, and 6006(a) of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”), and Rules 2002-1, 6004-1, and 9006-1 of the Local Rules.

Factual Background

I. General Background.

13. The Debtors are a privately held onshore oil and gas exploration and production company with headquarters in Tulsa, Oklahoma and operations in Colorado, Louisiana, North

Dakota, Oklahoma, Texas and Wyoming. The Debtors operate, or have royalty or working interests in, approximately 8,700 oil and gas production sites.

14. On September 16, 2015 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On September 18, 2015, the Court entered an order [Docket No. 70] authorizing joint administration and procedural consolidation of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). On September 30, 2015, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code [Docket No. 129].

15. A description of the Debtors’ businesses and the reasons for commencing the chapter 11 cases are set forth in the *Declaration of Philip Cook in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 2].

II. The Proposed Stalking Horse Agreements and Contemplated Sale Transactions.

16. The Debtors have taken steps to market their assets. In February 2016, the Debtors contacted over 550 potential purchasers to participate in the Debtors’ marketing process. Of those parties, the Debtors executed non-disclosure agreements (the “NDAs”) with approximately 184 potential purchasers. Parties executing NDAs were given access to a virtual data room beginning on April 22, 2016. The data room provided potential purchasers with information regarding the various asset contents of the packages and details regarding the assets themselves. Non-binding indications of interest were due on May 27, 2016, and were required to include the total amount that the bidder was willing to pay, in cash, for the proposed bid package. Additionally, bidders were required to disclose any necessary conditions or approvals needed

prior to submitting a binding bid, including but not limited to, internal approvals or governmental or regulatory approvals.

17. The Debtors received non-binding indications of interest from 57 individual bidders that accounted for 84 individual bids during the non-binding, first round of the sale process. After analyzing the bids and the financial condition of the bidders, the Debtors believed that they had an adequate number of qualified bidders across all asset packages to move forward to the second round of sale process. The Debtors recommended that approximately 32 bidders proceed to the next round of the sale process. These bidders were evaluated primarily based on value levels ascribed to selected asset packages, a demonstrated financial capability to pursue an acquisition of this size, and whether they had a strategic interest in the Debtors based on their existing portfolio of assets or otherwise.

18. On August 3, 2016, the Debtors received second round bids from bidders for the Debtors are reviewing all bids received for the MidCon East, MidCon West, San Juan, and Williston packages. On August 22, 2016, the Debtors received second round bids from bidders for the MidCon Central, East Texas, Powder River, and Green River packages. At this time, the Debtors have determined to move forward with stalking horse purchasers for three asset packages based on proposed purchase prices, financial wherewithal, and timing considerations. As the marketing process continues to unfold, the Debtors may determine to pursue additional sales, including in connection with the stalking horse bidder process, and may file additional bids, which would be subject to the terms of Bidding Procedures, before the hearing to consider entry of the Bidding Procedures Order.

19. The Debtors respectfully request that the Court approve the following general timeline:

<u>Action</u>	<u>Deadline</u>
Bid Deadline	5:00 p.m. (prevailing Eastern Time) on the date that is 7 days following entry of the Order approving the Bidding Procedures as the deadline by which bids for the Assets (as well as the deposit and all other documentation required under the Bidding Procedures for Qualified Bidders (as defined in the Bidding Procedures)) must be actually received (the “ <u>Bid Deadline</u> ”).
Sale Objection Deadline	4:00 p.m. (prevailing Eastern Time) on the date that is seven days prior to the Sale Hearing as the deadline to object to the Sale Transaction regardless of the purchaser. ³
Reply Deadline	12:00 p.m. (prevailing Eastern Time) on the date that is two business days prior to the Sale Hearing as the deadline to reply to the Sale Objections.
Auction	10:00 a.m. (prevailing Eastern Time) on the date that is than 7 days following the Bid Deadline as the date and time the Auction, if needed, will be held at the offices of Kirkland & Ellis LLP, located at 601 Lexington Avenue, New York, New York 10022, (or at any other location as the Debtors may hereafter designate on proper notice).
Sale Hearing	9:00 a.m. (prevailing Eastern Time) on October 17, 2016.
Designated Contract Objection Deadline	4:00 p.m. (prevailing Eastern Time) on the date that is seven days after service of the Notice of Assumption and Assignment.

20. The Debtors believe that this timeline maximizes the prospect of receiving an offer or offers that would benefit, without unduly prejudicing, these chapter 11 estates. To further ensure that the Debtors’ proposed Auction and sale process maximizes value for the benefit of the Debtors’ estates, the Debtors will use the time following entry of the Bidding Procedures Order to continue to actively market the Assets in an attempt to solicit higher or otherwise better bids. The Debtors believe the relief requested by this motion is in the best interests of all parties in interest and should be approved.

³ Purchaser-specific objections (including those related to adequate assurance of future performance under contracts to be assumed and assigned) may be raised at or any time before the Sale Objection Deadline.

III. Material Terms of the Stalking Horse Agreements.

21. The following chart summarizes the terms and conditions of the Stalking Horse Agreements, which are attached hereto as Exhibit C-1, Exhibit C-2, and Exhibit C-3 and discloses certain information required pursuant to Local Rule 6004-1:⁴

Stalking Horse Agreement Provision	Summary Description
Stalking Horse Agreement Parties (Recitals) Local Bankr. R. 6004-1(b)(iv)(A)	<u>Sellers:</u> Samson Resources Company <u>Purchaser:</u> (a) Tecolote Holdings, LLC, as to West Anadarko; (b) Resource Energy Can-Am LLC, as to Williston; (c) The Southern Ute Indian Tribe, d/b/a Red Willow Production Company as to San Juan; and (d) a stalking horse purchaser for any additional assets, if any, in each case or an successful bidder other than the Stalking Horse Bidders at an auction. None of the Stalking Horse Agreements contemplate a sale to an insider.
Purchase Price (§ 3.1) Local Bankr. R. 6004-1(b)(iv)(N)	<u>Purchase Price:</u> (i) cash in an amount equal to: (a) \$131,065,300.00 on account of West Anadarko, (b) \$115,500,000.00 on account of San Juan, or (c) \$75,000,000.00 on account of Williston, <i>plus</i> (ii) the assumption of Assumed Liabilities. The respective Purchase Prices shall also include the credit bid amount (to the extent a Secured Creditor is the successful purchaser). <u>Credit Bidding:</u> The Stalking Horse Agreements do not contemplate credit bidding under section 363(k) of the Bankruptcy Code. Subject to certain express restrictions, however, the proposed Bidding Procedures preserve Secured Creditors' rights to credit bid.
Good Faith Deposit (§ 3.2) Local Bankr. R. 6004-1(b)(iv)(F)	Each Qualified Bid, other than the bid of the Stalking Horse Bidder, must be accompanied by a cash deposit in the amount equal to 10 percent of the aggregate cash and non-cash purchase price of the Qualified Bid.

⁴ This summary is provided for the convenience of the Court and parties in interest. To the extent there is any conflict between this summary and the applicable Stalking Horse Agreement, the applicable Stalking Horse Agreement shall govern in all respects. Capitalized terms used in the following summary shall have the meanings ascribed to them in the applicable Stalking Horse Agreement. All references to schedules or sections in the following summary shall refer to schedules or sections of the applicable Stalking Horse Agreement.

Stalking Horse Agreement Provision	Summary Description
Stalking Horse Bidder's Protections Local Bankr. R. 6004-1(c)(i)(C)	<p><u>Breakup Fee</u>: A breakup fee equal to 3.5 percent on account of West Anadarko, 3 percent on account of San Juan, or 3 percent on account of Williston of the respective Purchase Price (the "<u>Breakup Fee</u>"), payable in the event that the Stalking Horse Bidder is the Purchaser and the Stalking Horse Agreement is terminated due to the Seller or Debtor entering into an alternative transaction.</p> <p><u>Expense Reimbursement</u>: A reasonable expense reimbursement of up to 1 percent on account of West Anadarko, up to 1 percent on account of San Juan (which amount is included in the Breakup Fee), or up to 1 percent on account of Williston (which amount is included in the Breakup Fee) of the respective Purchase Price (the "<u>Expense Reimbursement Fee</u>"), payable in the event that the Stalking Horse Bidder is the Purchaser and the Stalking Horse Agreement is terminated due to the Seller or Debtor entering into an alternative transaction.</p> <p>The Expense Reimbursement Fee and Breakup Fee are, collectively, the "<u>Bid Protections</u>." The Bid Protections will be an allowed administrative expense priority claim.</p> <p><u>Minimum Bid</u>: The aggregate consideration proposed by each Qualified Bid must equal or exceed the sum of \$139,052,585.50 in cash for West Anadarko, \$119,765,000.00 in cash for San Juan, and \$77,750,000.00 in cash for Williston.</p>
Agreements with Management Local Bankr. R. 6004-1(b)(iv)(B)	<p>The Stalking Horse Agreements do not contemplate any agreements with management.</p>
Interim Arrangements with Buyer Local Bankr. R. 6004-1(b)(vi)(G)	<p>None.</p>
Releases (§7.1(d)) Local Bankr. R. 6004-1(b)(iv)(C)	<p>With the exception of Exhibit F (Assumption Agreement) regarding Assumed Liabilities and Excluded Liabilities under each Stalking Horse Agreement, the Stalking Horse Agreements do not contemplate any releases except the purchaser agrees to defend, release, indemnify and hold harmless each seller against any and all liabilities based upon injury to person, including death, or to property arising in any manner from any inspection by purchaser of the assets prior to the closing date.</p>
Private Sale/No Competitive Bidding Local Bankr. R. 6004-1(b)(iv)(D)	<p>No. The Debtors have proposed an open Auction and sale process.</p>
Closing and Other Deadlines Local Bankr. R. 6004-1(b)(iv)(E)	<p><u>Bid Deadline</u>: 5:00 p.m. (prevailing Eastern Time) on the date that is 7 days following entry of the Bidding Procedures Order.</p> <p><u>Auction</u>: 10:00 a.m. (prevailing Eastern Time) on the date that is than 7 days following the Bid Deadline.</p> <p><u>Sale Hearing</u>: 10:00 a.m. (prevailing Eastern Time) on the day following the Auction.</p> <p><u>Closing</u>: No later than 3 business days following the date on which all the conditions to closing have been satisfied.</p>

Stalking Horse Agreement Provision	Summary Description
Tax Exemption Local Bankr. R. 6004-1(b)(iv)(I)	None. The proposed transaction will be effectuated as a taxable sale.
Requested Findings as to Successor Liability Local Bankr. R. 6004-1(b)(iv)(L)	Seller agrees to sell, free and clear of all liens, claims, and encumbrances.
Executory Contracts and Unexpired Leases (Art. 7) Local Bankr. R. 6004-1(b)(iv)(M)	The Company and the Seller will notify counterparties to executory contracts and unexpired leases to be assumed and assigned as part of the Sale Transaction of prior to the Sale Hearing.
Relief from Bankruptcy Rule 6004(h) Local Bankr. R. 6004-1(b)(iv)(O)	To maximize the value received for the Assets, the Debtors are seeking to close the transactions contemplated by the Stalking Horse Agreements as soon as possible after the Sale Hearing. The Debtors, therefore, have requested a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h).

IV. The Bidding Procedures and the Bidding Procedures Order.

22. The Debtors have developed and proposed the Bidding Procedures, attached as **Schedule 1** to the Bidding Procedures Order, to solicit, receive, and evaluate final bids in a fair and accessible manner at the final stage of their marketing process.

23. The Bidding Procedures are designed to maximize value for the Debtors' estates, while ensuring an orderly and efficient conclusion to the Debtors' months-long marketing and sale process. The Bidding Procedures describe, among other things, (a) the procedures for interested parties to access due diligence materials, submit bids, and become qualified as a Qualified Bidder or to participate in the Auction; (b) the time, place, and process of any Auction; (c) the selection and approval of any ultimately successful bidders; and (d) the deadlines with respect to the foregoing.

24. The Debtors believe that the Bidding Procedures provide for a conclusion of the Debtors' sale process that will maximize the value of their estates and encourage robust participation in the bid process from all potential bidders.

A. *The Bidding Procedures.*

25. The following describes the salient points of the Bidding Procedures and discloses certain information required pursuant to Local Rule 6004-1:⁵

(a) **Potential Bidders.** To participate in the bidding process or otherwise be considered for any purpose under these Bidding Procedures, a person or entity interested in consummating a Sale Transaction (a "Potential Bidder") must deliver or have previously delivered, if determined to be necessary by the Debtors in their sole discretion:

(i) an executed confidentiality agreement on terms acceptable to the Debtors (a "Confidentiality Agreement"), to the extent not already executed; and

(ii) the most current audited and latest unaudited financial statements (the "Financials") of the Potential Bidder (or, if the Potential Bidder is an entity formed for the purpose of acquiring the Assets (x) Financials of the equity holder(s) of the Potential Bidder or such other form of financial disclosure as is acceptable to the Debtors and their advisors, and (y) a written commitment acceptable to the Debtors and their advisors of the equity holder(s) of the Potential Bidder to be responsible for the Potential Bidder's obligations in connection with the applicable Sale Transaction).

(b) **Qualified Bidders.**

(i) A "Qualified Bidder" is a Potential Bidder whose Financials, or the Financials of its equity holder(s), as applicable, demonstrate the financial capability to consummate the Sale, whose Bid is a Qualified Bid, and that the Debtors, after consulting with the Committee, determine should be considered a Qualified Bidder. Within two business days after the Bid Deadline, the Debtors' advisors will notify each Potential Bidder in writing whether such Potential Bidder is a Qualified Bidder with respect to a particular asset package and shall provide to the Stalking Horse Bidder for such asset package with a copy of each Qualified Bid submitted by a Qualified Bidder relating to such asset package. The Stalking Horse Bidder, if any, shall be deemed a Qualified Bidder at all

⁵ This summary is qualified in its entirety by the Bidding Procedures attached as **Schedule 1** to the Bidding Procedures Order. All capitalized terms that are used in this summary but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures. To the extent there are any conflicts between this summary and the Bidding Procedures, the terms of the Bidding Procedures shall govern.

times with respect to the asset package to which its Stalking Horse Bid relates.

- (ii) If any Potential Bidder is determined by the Debtors not to be a Qualified Bidder, the Debtors will refund such Qualified Bidder's Deposit and all accumulated interest thereon on or within three business days after the Bid Deadline.
 - (iii) Between the date that the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Except as otherwise set forth in the Stalking Horse Agreement, without the written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their consideration contemplated by, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; *provided that* any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.
- (c) **Due Diligence.** Only Qualified Bidders shall be eligible to receive due diligence information and access to the Debtors' electronic data room and to additional non-public information regarding the Debtors. **No Qualified Bidder will be permitted to conduct any due diligence without entering into a Confidentiality Agreement.** The Debtors will provide to each Qualified Bidder reasonable due diligence information, as requested by such Qualified Bidder in writing, as soon as reasonably practicable after such request, and the Debtors shall post all written due diligence provided to any Qualified Bidder to the Debtors' electronic data room. The due diligence period for a Stalking Horse Bidder will end prior to execution of the applicable Stalking Horse Agreement, unless otherwise agreed pursuant to the applicable Stalking Horse Agreement. For all Qualified Bidders other than the applicable Stalking Horse Bidder, the due diligence period will end on the Bid Deadline and subsequent to the Bid Deadline the Debtors shall have no obligation to furnish any due diligence information.

The Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the sale to any person except to a Qualified Bidder or to such Qualified Bidder's duly authorized representatives to the extent provided in the applicable Confidentiality Agreement. The Debtors and their advisors shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; *provided that* the Debtors may decline to provide such information to Qualified Bidders who, at such time and

in the Debtors' reasonable business judgment after consultation with the Committee, the first lien agent, and the second lien agent, have not established, or who have raised doubt, that such Qualified Bidder intends in good faith to, or has the capacity to, consummate the applicable Sale Transaction.

The Debtors also reserve the right to withhold any diligence materials that the Debtors determine are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder who the Debtors determine is a competitor of the Debtors or is affiliated with any competitor of the Debtors. Neither the Debtors nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be a Qualified Bidder. **All due diligence requests must be directed to PJT Partners, LP, 280 Park Avenue, New York, New York 10017, Attn: Zachary Rigoni; Phone number: +1.212.364.2420; Email: Rigoni@PJTPartners.com.**

- (i) **Communications with Qualified Bidders.** Notwithstanding anything to the contrary in these Bidding Procedures, all substantive direct communications between and amongst Qualified Bidders shall involve the Debtors and the Debtors' advisors, to the extent reasonably practicable.
- (ii) **Due Diligence from Qualified Bidders.** Each bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtors or their advisors regarding the ability of the Qualified Bidder to consummate the applicable Sale Transaction. Failure by a Qualified Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtors to determine, after consultation with the first lien agent, the second lien agent, and the Committee, that such bidder is no longer a Qualified Bidder or that a bid made by such Qualified Bidder is not a Bid.

The Debtors and each of their respective advisors and representatives shall be obligated to maintain in confidence any confidential information in accordance with any applicable confidentiality agreement, except as otherwise set forth in these Bidding Procedures. Each recipient of confidential information agrees to use, and to instruct their advisors and representatives to use, such confidential information only in connection with the evaluation of Bids during the bidding process or otherwise in connection with the chapter 11 cases or in accordance with the terms of any applicable confidentiality agreement.

Notwithstanding the foregoing and the provisions contained in any applicable confidentiality agreement, the Debtors and the

Debtors' advisors may disclose confidential information: (i) with the prior written consent of such bidder and the Debtors; (ii) to the applicable bidder; and (iii) as otherwise required or allowed by any applicable confidentiality agreement with respect to a particular bidder or other agreement, law, court or other governmental order, or regulation, including, as appropriate, to regulatory agencies.

- (d) **Bid Requirements (Local Bankr. R. 6004-1(c)(i)(A), (B)).** A proposal, solicitation, or offer (each, a "Bid") by a Qualified Bidder that is submitted in writing and satisfies each of the following requirements (the "Bid Requirements") as determined by the Debtors, in their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, shall constitute a "Qualified Bid"). Any Stalking Horse Agreement executed by the Debtors and the transactions contemplated thereby will be deemed a Qualified Bid for all purposes.
- (i) **Assets.** Each Bid must clearly state which assets and liabilities of the Debtors that the Qualified Bidders are agreeing to purchase and assume.
- (ii) **Purchase Price.** Each Bid must clearly set forth the purchase price to be paid for the applicable asset package, including and identifying separately any cash and non-cash components, which non-cash components shall be limited only to credit-bids (the "Purchase Price").
- (iii) **Minimum Bid. The aggregate consideration proposed by each Bid must equal or exceed the sum of:**
- \$139,052,585.50 in cash for West Anadarko;
 - \$119,765,000.00 in cash for San Juan;
 - \$77,750,000.00 in cash for Williston; and
 - an amount to be agreed upon for any additional asset package for which the Debtors execute Stalking Horse Agreements no later than 14 days prior to the Bidding Procedures Hearing (with respect to each asset package, each, a "Minimum Bid").
- (iv) **Deposit.** Each Bid, other than the Bid of a Stalking Horse Bidder (a "Stalking Horse Bid"), must be accompanied by a cash deposit in the amount equal to 10 percent of the aggregate cash and non-cash Purchase Price of the Bid, to be held in an interest-bearing

escrow account to be identified and established by the Debtors (the “Deposit”).

- (v) **Assumption of Obligations.** Each Bid must expressly assume all of the obligations on terms no less favorable to the Debtors than the applicable Stalking Horse Agreement, as applicable, as determined in the Debtors’ business judgment, and after consultation with the Committee, the first lien agent, the second lien agent, and the Stalking Horse Bidder.
- (vi) **The Same or Better Terms.** Each Bid must be on terms that are not more burdensome or conditional than the terms of the applicable Stalking Horse Agreement. Each Bid must include duly executed, non-contingent transaction documents necessary to effectuate the transactions contemplated in the Bid and shall include a schedule of assumed contracts to the extent applicable to the Bid, and a copy of the applicable Stalking Horse Agreement clearly marked to show all changes requested by the Qualified Bidder, including those related to the respective Purchase Price and assets to be acquired by such Qualified Bidder, as well as all other material documents integral to such bid (the “Qualified Bid Documents”).
- (vii) **Committed Financing.** To the extent that a Bid is not accompanied by evidence of the Qualified Bidder’s capacity to consummate the sale set forth in its Bid with cash on hand, each Bid must include unconditional committed financing documented to the satisfaction of the Debtors, and after consultation with the Committee, the first lien agent, and the second lien agent, that demonstrates that the Qualified Bidder has: (i) received sufficient debt and/or equity funding commitments to satisfy the Qualified Bidder’s Purchase Price and other obligations under its Bid; and (ii) adequate working capital financing or resources to finance going concern operations for the Assets and the proposed transactions. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtors.
- (viii) **Contingencies; No Financing or Diligence Outs.** A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence, but may be subject to the accuracy at the closing of specified representations and warranties or the satisfaction at the closing of specified conditions, which shall not be more burdensome, in the Debtors’ business judgment, and after consultation with the Committee, the first lien agent, and the

second lien agent, than those set forth in the applicable Stalking Horse Agreement.

- (ix) **Identity.** Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Qualified Bidder if such Qualified Bidder is an entity formed for the purpose of consummating the proposed transaction contemplated by such Bid), and the complete terms of any such participation. Under no circumstances shall any undisclosed principals, equity holders, or financial backers be associated with any Bid. Each Bid must also include contact information for the specific persons and counsel whom PJT and Kirkland & Ellis LLP should contact regarding such Bid.
- (x) **Demonstrated Financial Capacity.** A Qualified Bidder must have, in the Debtors' business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, the necessary financial capacity to consummate the proposed transactions required by its Bid and provide adequate assurance of future performance under all contracts proposed to be assumed by such Bid.
- (xi) **Time Frame for Closing.** A Bid by a Qualified Bidder must be reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid, within a time frame acceptable to the Debtors, after consultation with the Committee, the first lien agent, and the second lien agent.
- (xii) **Binding and Irrevocable.** A Qualified Bidder's Bid for a particular asset package shall be irrevocable unless and until the Debtors accept a higher Bid for such asset package and such Qualified Bidder is not selected as the Backup Bidder for such asset package.
- (xiii) **Expenses; Disclaimer of Fees.** Each Bid (other than a Stalking Horse Bid) must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation. For the avoidance of doubt, no Qualified Bidder (other than the Stalking Horse Bidder) will be permitted to request, nor be granted by the Debtors, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

- (xiv) **Authorization.** Each Bid must contain evidence that the Qualified Bidder has obtained authorization or approval from its board of directors (or a comparable governing body acceptable to the Debtors, after consultation with the Committee, the first lien agent, and the second lien agent) with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid.
- (xv) **As-Is, Where-Is.** Each Bid must include a written acknowledgement and representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its Bid; and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Bidder's Bid.
- (xvi) **Adherence to Bid Procedures.** By submitting its Bid, each Qualified Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.
- (xvii) **Regulatory Approvals and Covenants.** A Bid must set forth each regulatory and third-party approval required for the Qualified Bidder to consummate the applicable Sale Transaction, if any, and the time period within which the Qualified Bidder expects to receive such regulatory and third-party approvals (and in the case that receipt of any such regulatory or third-party approval is expected to take more than thirty (30) days following execution and delivery of the asset purchase agreement, those actions the Qualified Bidder will take to ensure receipt of such approvals as promptly as possible).
- (xviii) **Consent to Jurisdiction.** The Qualified Bidder must submit to the jurisdiction of the Bankruptcy Court and waive any right to a jury trial in connection with any disputes relating to Debtors' qualification of bids, the Auction, the construction and enforcement of these Bidding Procedures, the Sale Transaction documents, and the Closing, as applicable.
- (xix) **Bid Deadline.** Each Bid must be transmitted via email (in .pdf or similar format) so as to be **actually received** on or before 5:00 p.m. (prevailing Eastern Time) on the date that is 7 days following entry of the Bidding Procedures Order (the "**Bid Deadline**") by:

- (A) The Debtors, Samson, Two West Second Street, Tulsa, Oklahoma 74103, Attn: Andrew Kidd (akidd@samson.com);
- (B) Counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, IL 60654, Attn: Brad Weiland (brad.weiland@kirkland.com), and Alexandra Schwarzman (alexandra.schwarzman@kirkland.com);
- (C) Co-counsel to the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti (dpacitti@klehr.com);
- (D) Financial Advisors to the Debtors, PJT Partners, Inc., 280 Park Avenue, New York, New York 10017, Attn: Zachary Rigoni (rigoni@PJTPartners.com);
- (E) Counsel to the applicable Stalking Horse Bidder, if any;
- (F) Counsel to the First Lien Agent, Mayer Brown LLP, 71 S. Wacker Drive, Chicago, Illinois 60606, Attn: Sean T. Scott (stscott@mayerbrown.com), and 700 Louisiana Street, Suite 3400, Houston, Texas 77002, Attn: Charles S. Kelly (ckelley@mayerbrown.com);
- (G) Co-counsel to the First Lien Agent, Fox Rothschild LLP, 919 North Market Street, Suite 300, Wilmington, DE 19801, Attn: Jeffrey M. Schlerf (jschlerf@foxrothschild), and L. John Bird (lbird@foxrothschild.com);
- (H) Counsel to the Second Lien Agent, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Ana M. Alfonso (aalfonso@willkie.com);
- (I) Co-counsel to the Second Lien Agent, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: John H. Knight (knight@rlf.com) and Joseph C. Barsalona II (barsalona@rlf.com);
- (J) Counsel to the Committee, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Glenn M. Kurtz (gkurtz@whitecase.com); J. Christopher Shore (cshore@whitecase.com); Michele J. Meises (mmeises@whitecase.com); Thomas MacWright (tmacwright@whitecase.com); and

(K) Co-counsel to the Committee, Farnan LLP, 919 North Market Street, Suite 12th Floor, Wilmington, DE 19801, Attn: Joseph J. Farnan, Jr. (farnan@farnanlaw.com); Joseph J. Farnan, III (jffarnan@farnanlaw.com); Michael J. Farnan (mfarnan@farnan.com).

(e) **Right to Credit Bid.** At the Auction, any Qualified Bidder, including a Stalking Horse Bidder, who has a valid and perfected lien on any assets of the Debtors' estates (a "Secured Creditor") shall have the right to credit bid all or a portion of the value of such Secured Creditor's claims within the meaning of section 363(k) of the Bankruptcy Code; *provided* that a Secured Creditor shall have the right to credit bid all or a portion of the value of its secured claim to the extent such secured claim is not disputed; *provided, further*, that a Secured Creditor shall not be entitled to any Bid Protections (as defined in Section 13 hereof); *provided, further*, that nothing herein shall impact any parties' rights with respect to either (a) challenges to the liens or claims of such Secured Creditor, including with respect to section 552 of the Bankruptcy Code or (b) assertions under section 506(c) of the Bankruptcy Code, or the effects that such challenges or assertions may have, if any, on the ability of such Secured Creditor to credit bid. Notwithstanding anything herein to the contrary, each Stalking Horse Bidder shall: (a) have the right (including as part of any applicable Overbid) to credit bid all or a portion of the value of the secured portion of its claims for the assets pursuant to section 363(k) of the Bankruptcy Code, including any secured claims on account of its adequate protection liens; and (b) have the right to credit bid the value of the Breakup Fee; *provided*, that a Secured Creditor shall have the right to credit bid all or a portion of the value of its secured claim to the extent such secured claim is not disputed; *provided, further*, that a Secured Creditor shall not be entitled to any Bid Protections; *provided, further*, that nothing herein shall impact any parties' rights with respect to either (a) challenges to the liens or claims of the Stalking Horse Bidder or (b) assertions under section 506(c) of the Bankruptcy Code or the effects that such challenges or assertions have, if any, on the ability of the Stalking Horse Bidder to credit bid.

Credit bids, if any, by Secured Creditors will not impair or otherwise affect the Stalking Horse Bidders' entitlement to the Bid Protections granted under the Bidding Procedures Order.

(f) **Auction.** If the Debtors receive a Qualified Bid for a given asset package, other than the applicable Stalking Horse Bid for such asset package, if any, the Debtors will conduct the Auction to determine the Successful Bidders with respect to such asset package. If the Debtors do not receive a Qualified Bid for a given asset package (other than the Stalking Horse Bid for such asset package, if any), the Debtors will not conduct the Auction as to such asset package and shall designate the Stalking Horse Bidder's

Bid for such asset package, if any, as the Successful Bid for such asset package.

No later than 2 calendar days after the Bid Deadline, at 5:00 p.m. (prevailing Eastern Time), the Debtors will notify each Qualified Bidder of the highest or otherwise best Qualified Bid for the asset package for which such Qualified Bidder submitted a Bid, as determined in the Debtors' reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent (the "Baseline Bid"), and provide copies of the applicable Qualified Bid Documents supporting the applicable Baseline Bid to each Qualified Bidders. The determination of which Qualified Bid constitutes the Baseline Bid for each asset package and which Qualified Bid constitutes the Successful Bid for each asset package shall take into account any factors the Debtors, after consultation with the Committee, the first lien agent, the second lien agent, and the applicable Stalking Horse Bidder reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the applicable Stalking Horse Agreement, if any, requested by the Qualified Bidder, including the type and amount of Assets sought and obligations to be assumed in the Qualified Bid; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the applicable Sale Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the transaction contemplated by the Qualified Bid Documents; and (e) the tax consequences of such Qualified Bid (collectively, the "Bid Assessment Criteria").

The Auction shall take place at 10:00 a.m. (prevailing Eastern Time) on the date that is seven days following the Bid Deadline, at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022-4611, or such later date and time as selected by the Debtors. The Auction shall be conducted in a timely fashion according to the following procedures:

- (i) **The Debtors Shall Conduct the Auction.** The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid for each asset package. All incremental Bids made thereafter for a given asset package shall be Overbids (defined below) for such asset package and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders who submitted Bids on such asset package. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all applicable Overbids, and the Successful Bid.

Only Qualified Bidders and their legal and financial advisors, and the Committee, the first lien agent, and the second lien agent, and each such parties' respective legal and financial advisors shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Only Qualified Bidders shall be entitled to bid at the Auction.

(ii) **Terms of Overbid.** "Overbid" means any bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid. Each applicable Overbid must comply with the following conditions:

(A) **Minimum Overbid Increment.** The initial Overbid for a given asset package, if any, shall provide for total consideration to the Debtors with a value that exceeds the value of the consideration under the Baseline Bid for such asset package by an incremental amount that is not less than the sum of (x):

- \$900,000.00 for West Anadarko;
- \$800,000.00 for San Juan,
- \$500,000.00 for Williston; and
- an amount to be agreed upon for any additional asset package for which the Debtors execute Stalking Horse Agreements no later than 14 days prior to the Bidding Procedures Hearing (each, a "Minimum Overbid Increment")

plus (y) in the event that the Debtors have entered into a Stalking Horse Agreement with respect to the Assets to which the applicable Overbid relates, the aggregate amount of any Bid Protections under such Stalking Horse Agreement, and each successive applicable Overbid for a given asset package shall exceed the then-existing Overbid for such asset package by an incremental amount that is not less than the Minimum Overbid Increment. The Debtors reserve the right, after consultation with the Committee, the first lien agent, and the second lien agent, to announce reductions or increases in the Minimum Overbid Increment for a given asset package at any time during the Auction, other than the initial Minimum Overbid Increment. Additional consideration in excess of the amount set forth in the respective Baseline Bid may include: (a) cash and/or noncash consideration; *provided, however*, that the value

for such noncash consideration shall be determined by the Debtors in their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent; and (b) in the case of a Bid by a Secured Creditor, a credit bid of up to the full amount of the such secured creditors' allowed secured claim; *provided, however*, that nothing herein shall impact any parties' rights with respect to either (a) challenges to the liens or claims of such Secured Creditor or (b) assertions under section 506(c) of the Bankruptcy Code or the effects that such challenges or assertions have, if any, on the ability of such Secured Creditor to credit bid.

- (B) **Conclusion of Each Overbid Round.** Upon the solicitation of each round of applicable Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.
- (C) **Overbid Alterations.** An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable to the Debtors' estates than any prior Bid or Overbid, as determined in the Debtors' reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, but shall otherwise comply with the terms of these Bidding Procedures.
- (D) **Announcing Highest Bid.** Subsequent to each Overbid Round Deadline, the Debtors, after consultation with the Committee, the first lien agent, and the second lien agent, shall announce for each asset package whether the Debtors have identified in the initial applicable Overbid round, an Overbid as being higher or otherwise better than the Initial Minimum Overbid for such asset package, or in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid for a given asset package (for each asset package, the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid as well as the value attributable by the Debtors to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria.

(iii) **Consideration of Overbids.** The Debtors reserve the right, in their reasonable business judgment, and after consultation with the Committee, the first lien agent, the second lien agent, and the Stalking Horse Bidder, if any, to adjourn the Auction one or more times to, among other things: (i) facilitate discussions between the Debtors and Qualified Bidders; (ii) allow Qualified Bidders to consider how they wish to proceed; and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing Overbid amount.

(iv) **Closing the Auction.**

(A) The Auction shall continue until there is only one Bid for each asset package that the Debtors determine, in their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, to be the highest or otherwise best Bid for such asset package. Such Bid shall be declared the “Successful Bid,” for such asset package and such Qualified Bidder, the “Successful Bidder” for such asset package at which point the Auction will be closed as to that asset package. The Auction shall not close with respect to any asset package unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Successful Bid is conditioned upon approval by the Court of the Successful Bid.

(B) For the avoidance of doubt, but without limiting the Bid Protections or the provisions of any Stalking Horse Agreement, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law.

(C) The Debtors shall not consider any Bids or Overbids submitted after the conclusion of the Auction, and any such Bids or Overbids shall be deemed untimely and shall under no circumstances constitute a Qualified Bid.

(D) As soon as reasonably practicable after closing the Auction, the Debtors shall cause the Qualified Bid Documents for

each Successful Bid and Backup Bid to be filed with the Court.

- (v) **No Collusion; Good-Faith *Bona Fide* Offer.** Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the bidding; and (ii) its Bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bidder.

(g) **Backup Bidder.**

- (i) Notwithstanding anything in these Bidding Procedures to the contrary, but subject to the terms of any Stalking Horse Agreement, if an Auction is conducted for a given asset package, the Qualified Bidder with the next-highest or otherwise second-best Bid at the Auction for such asset package, as determined by the Debtors in the exercise of their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent (the "Backup Bid"), shall be required to serve as a backup bidder (the "Backup Bidder") for such asset package, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.
- (ii) The identity of the Backup Bidder and the amount and material terms of the backup Bid shall be announced by the Debtors at the conclusion of the Auction at the same time the Debtors announce the identity of the Successful Bidder. The Backup Bidder shall be required to keep its Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable, subject to the terms of any Stalking Horse Agreement, until the closing of the transaction with the applicable Successful Bidder; provided that nothing shall diminish the rights of the Stalking Horse Bidder under the Stalking Horse Agreement. The Backup Bidder's Deposit shall be held in escrow until the closing of the transaction with the applicable Successful Bidder or as may otherwise be provided in any Stalking Horse Agreement.
- (iii) If a Successful Bidder fails to consummate the approved transactions contemplated by its Successful Bid, the Debtors may, after consultation with the Committee, the first lien agent, and the second lien agent, select the applicable Backup Bidder as the Successful Bidder, and such Backup Bidder shall be deemed a Successful Bidder for all purposes, subject to the terms of any Stalking Horse Agreement. The Debtors will be authorized, but not required, to consummate all transactions contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Successful

Bidder's Deposit shall be forfeited to the Debtors, and the Debtors specifically reserve the right to seek all available remedies against the defaulting Successful Bidder, including with respect to specific performance.

- (h) **Highest or Otherwise Best Bid.** When determining the highest or otherwise best Bid for a given asset package, as compared to other Bids for such asset package, the Debtors may consider the following factors in addition to any other factors that the Debtors, and after consultation with the Committee, the first lien agent, and the second lien agent, deem appropriate: (a) the number, type, and nature of any changes to the applicable Stalking Horse Agreement requested by the Qualified Bidder, including the type and amount of Assets sought and obligations to be assumed in the Bid; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the transaction contemplated by the Qualified Bid Documents; and (e) the tax consequences of such Bid; *provided*, in each case, that the fact the Stalking Horse Bid, if any, is comprised of a credit bid shall not be a factor considered by the Debtors in their determination of the highest or otherwise best Bid, subject to the conditions set forth in Section 6 herein.
- (i) **Reservation of Rights (Local Bankr. R. 6004-1(c)(i)(D)).** Without prejudice to the rights of the Stalking Horse Bidders under the terms of their respective Stalking Horse Agreements, the Debtors reserve their rights to modify these Bidding Procedures in their reasonable business judgment, and after consultation with the Committee, the first lien agent, the second lien agent, and the applicable Stalking Horse Bidder, in any manner that will best promote the goals of the bidding process, or impose, at or prior to the Auction, additional customary terms and conditions on the sale of the Assets, including, without limitation: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all bids or Bids.
- (j) **Consent to Jurisdiction.** All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures, and/or the Qualified Bid Documents, as applicable.
- (k) **Sale Hearing.** A hearing to consider approval of each Sale of the Assets to the Successful Bidders (or to approve the Stalking Horse Agreement, as applicable, if no Auction is held) (the "Sale Hearing") is currently

scheduled to take place on or before at 10:00 a.m. (prevailing Eastern Time) on the day immediately following the Auction, before the Honorable Christopher S. Sontchi, at the Court, 824 North Market Street, 5th Floor, Courtroom No. 6, Wilmington, Delaware 19801.

The Sale Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party (including the Stalking Horse Bidder).

At the Sale Hearing, the Debtors shall present the Successful Bid to the Court for approval.

(1) **Stalking Horse Rights.** To provide an incentive and to compensate the Stalking Horse Bidders for performing the substantial due diligence and incurring the expenses necessary and entering into a Stalking Horse Agreement with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Debtors have, after consultation with the Committee, the first lien agent, and the second lien agent, agreed to pay the Stalking Horse Bidder, under the conditions and in the amount set forth in the Bidding Procedures Order, (a) a break-up fee in the amount of:

- \$4,587,285.50 for West Anadarko;
- \$3,465,000.00 for San Juan;
- \$2,250,000.00 for Williston; and
- an amount to be agreed upon for any additional asset package for which the Debtors execute Stalking Horse Agreements no later than 14 days prior to the Bidding Procedures Hearing;

(each, a “Breakup Fee”), payable pursuant to the terms of each Stalking Horse Agreement in the event that a Stalking Horse Agreement is terminated due to the Debtors entering into an alternative transaction or in other circumstances set forth in the applicable Stalking Horse Agreement, if any, and (b) a reasonable expense reimbursement equal to

- up to \$2,500,000.00 for West Anadarko;
- up to \$1,150,000.00 for San Juan, which amount is included in the Breakup Fee;
- up to \$750,000.00 for Williston, which amount is included in the Breakup Fee; and
- an amount to be agreed upon for any additional asset package for which the Debtors execute Stalking Horse Agreements no later than 14

days prior to the Bidding Procedures Hearing;

(each, a “Expense Reimbursement Fee” and together with each applicable Breakup Fee, the “Bid Protections”), payable pursuant to the terms of each Stalking Horse Agreement in the event that a Stalking Horse Agreement is terminated due to the Debtors entering into an alternative transaction or in other circumstances set forth in the applicable Stalking Horse Agreement. The Bid Protections will be an allowed administrative expense priority claim in accordance with the terms of each Stalking Horse Agreement.

- (a) **No Modification of Bidding Procedures.** Except as provided by Section 10 hereof, these Bidding Procedures may not be modified except with the Debtors’ express written consent, and after consultation with the Committee, the first lien agent, and the second lien agent.
- (b) **Return of Deposit.** The Deposit of the Successful Bidder shall be applied to the respective Purchase Price of such transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more interest-bearing escrow accounts on terms acceptable to the Debtors in their sole discretion and shall be returned (other than with respect to the Successful Bidder, and the Backup Bidder) on or within three business days after the Auction. Upon the return of the Deposits, their respective owners shall receive any and all interest that will have accrued thereon.

If a Successful Bidder fails to consummate a proposed transaction because of a breach by such Successful Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Successful Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors, and the Debtors shall be free to consummate the proposed transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

- (c) **Fiduciary Out.** Nothing in these Bidding Procedures shall require the board of directors, board of managers, or such similar governing body of a Debtors to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, to the extent such board of directors, board of managers, or such similar governing body determines, or based on the advice of counsel, that taking such action, or refraining from taking such action, as applicable, is required to comply with applicable law or its fiduciary obligations under applicable law; provided that in the event of any such action, all rights and remedies of any Stalking Horse Bidder in these Bidding Procedures or any Stalking Horse Agreement shall be preserved.

26. Importantly, the Bidding Procedures recognize the Debtors’ fiduciary obligations to maximize sale value, and, as such, do not impair the Debtors’ ability to consider all qualified

bid proposals, and, as noted, preserve the Debtors' right to modify the Bidding Procedures as necessary or appropriate to maximize value for the Debtors' estates.

B. Potential Additional Stalking Horse Bidders.

27. As discussed above, the Debtors are continuing their discussions with potential purchasers and, in accordance with the Bidding Procedures, may enter into a Stalking Horse Agreement at any time before the date that is 14 days prior to the hearing to consider entry of the Bidding Procedures Order, to establish a minimum Qualified Bid at, and subject to higher or otherwise better offers during, the Auction.

28. To facilitate a competitive, value-maximizing Sale Transaction, by this motion, the Debtors request authority, in the exercise of their business judgment, to offer Bid Protections to any additional Stalking Horse Bidders in accordance with terms of any such additional Stalking Horse Agreement.

V. Notice Procedures.

29. The Debtors propose the following notice procedures to be implemented in connection with the sale process.

A. Notice of Sale, Auction, and Sale Hearing.

30. Within seven (7) days after the entry of the Bidding Procedures Order or as soon as reasonably practicable thereafter (the "Mailing Date"), the Debtors shall serve a sale notice, substantially in the form attached hereto as **Exhibit D** (the "Sale Notice"), the Stalking Horse Agreements, the proposed Bidding Procedures Order, and the Bidding Procedures by first-class mail or, for those parties who have consented to receive notice by the Electronic Case Files ("ECF") system, by ECF, upon (a) all entities reasonably known to have expressed an interest in a transaction with respect to all or part of the Assets within the past two years; (b) all entities known to have asserted any lien, claim, interest, or encumbrance in or upon any of the Assets; (c)

counsel for the Committee; (d) counsel for the first lien agent; (e) counsel for the second lien agent; and (f) the U.S. Trustee; *provided, however*, that to the extent email addresses are available, parties in the forgoing subsection (a) may be served by email to the extent they have consented to receive service by email in accordance with Local Rule 5005-4(c)(ii) except a party excluded from such service as set forth in Local Rule 5005-4(c)(iii).

31. Notice of the Sale Hearing will be served on all parties with an oil and gas interest, including but not limited to a royalty interest or working interest, which may provide for consent rights or preferential purchase rights with respect to certain of the Assets proposed to be sold pursuant to the Sale Transactions. Failure by such parties to timely object to the Sales shall be deemed to constitute consent to such sales and/or waiver of such party's exercise of any preferential purchase right or consent right with respect to the applicable Sale Transaction.

32. In addition, within seven days after the entry of the Bidding Procedures Order or as soon as reasonably practicable thereafter, the Debtors shall serve the Sale Notice by first-class mail, postage prepaid or, for those parties who have consented to receive notice by the ECF system, by ECF, upon (a) all federal, state, and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief granted herein; (b) the SEC; (c) the Internal Revenue Service; (d) all parties entitled to notice pursuant to Local Rule 2002-1(b); (e) all known creditors of the Debtors, including their contract counterparties; and (f) all registered holders of equity securities in the Debtors. The Debtors request that such notice be deemed sufficient and proper notice of the Sale Transactions with respect to known interested parties.

B. Date, Time, Place, and Notice of Auction.

33. The Auction, if any, shall take place on 10:00 a.m. (prevailing Eastern Time) on the date that is than 7 days following the Bid Deadline and will be held at the offices of

Kirkland & Ellis LLP, located at 601 Lexington Avenue, New York, New York 10022, (or at any other location as the Debtors may hereafter designate on proper notice) at the offices of counsel for the Debtors, Kirkland & Ellis LLP, located at 601 Lexington Avenue, New York, New York 10022 (or at any other location as the Debtors may hereafter designate on proper notice).

C. Notice of Successful Bidder.

34. As soon as reasonably practicable after the conclusion of the Auction, the Debtors shall file on the docket, but not serve, a notice identifying any Successful Bidders (the “Post-Auction Notice”), substantially in the form attached hereto as **Exhibit E**.

D. Date, Time, and Place of Sale Hearing.

35. The Debtors request that the Bankruptcy Court hold the Sale Hearing at 9:00 a.m. (prevailing Eastern Time) on October 17, 2016, or such other date as the Court is available and may, in accordance with the Bidding Procedures Order, be adjourned or rescheduled without notice. At the Sale Hearing, the Debtors will seek Bankruptcy Court approval of the Successful Bids and the Backup Bids (if any). Unless the Bankruptcy Court orders otherwise, the Sale Hearing shall be an evidentiary hearing on matters relating to the Sale Transactions and there will be no further bidding at the Sale Hearing. In the event that a Successful Bidder cannot or refuses to consummate a Sale Transaction because of the breach or failure on the part of the Successful Bidder, the applicable Backup Bidder may be deemed the new Successful Bidder and the Debtors shall be authorized, but not required, to close with the Backup Bidder on the Backup Bid without further order of the Bankruptcy Court.

E. Objection Deadline.

36. Any and all objections, if any, to any Sale Transaction (a “Sale Objection”) regardless of the purchaser⁶ must be filed by 4:00 p.m. (prevailing Eastern Time) on the date that

⁶ Purchaser-specific objections (including those related to adequate assurance of future performance under

is seven days prior to the Sale Hearing (the “Sale Objection Deadline”) and served on (a) counsel for the Debtors, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 Attn: Brad Weiland and Alexandra Schwarzman; (b) co-counsel for the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, DE 19801, Attn: Domenic E. Pacitti; (c) counsel for the Committee, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Glenn M. Kurtz; J. Christopher Shore.; Michele J. Meises; Thomas MacWright; (d) co-counsel for the Committee, Farnan LLP, 919 North Market Street, Suite 12th Floor, Wilmington, DE 19801, Attn: Joseph J. Farnan, Jr.; Joseph J. Farnan, III; Michael J. Farnan; (e) counsel for the first lien agent, Mayer Brown LLP, 71 S. Wacker Drive, Chicago, Illinois 60606, Attn: Sean T. Scott, and 700 Louisiana Street, Suite 3400, Houston, Texas 77002, Attn: Charles S. Kelly; (f) co-counsel for the first lien agent, Fox Rothschild LLP, 919 North Market Street, Suite 300, Wilmington, DE 19801, Attn: Jeffrey M. Schlerf and L. John Bird; (g) counsel for the second lien agent, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Ana M. Alfonso; (h) co-counsel for the second lien agent, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: John H. Knight and Joseph C. Barsalona II.; (i) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, DE 19801, Attn. Tiiara Patton.; (j) if applicable, counsel to any Stalking Horse Bidders; (k) all parties that have requested notice in these chapter 11 cases (collectively (a)–(k), the “Objection Recipients”); and (l) counsel to any Successful Bidders, if known on the Sale Objection Deadline. Any party failing to timely file an objection to any Sale Transaction will be forever barred from objecting and will be deemed to have consented to any Sale Transaction, including the transfer of the Debtors’ right, title and

contracts to be assumed and assigned) may be raised at or any time before the Sale Hearing.

interest in, to, and under the Debtors' Assets free and clear of any and all Interests in accordance with a definitive agreement for any Sale Transaction.

37. All replies to any Sale Objection must be filed by 12:00 p.m. (prevailing Eastern Time) on the date that is two business days prior to the Sale Hearing (the "Reply Deadline").

VI. Summary of the Assumption Procedures.

38. The Debtors propose the procedures set forth below for notifying counterparties to executory contracts and unexpired leases of proposed cure amounts in the event the Debtors decide to assume and assign such contracts or leases (the "Designated Contract Counterparties") in connection with a sale.

A. Notice of Assumption and Assignment.

39. On a date prior to the Sale Hearing, (any such date, the "Assumption and Assignment Service Date") the Debtors shall file with the Court, and post on the following website <http://cases.gcginc.com/SamsonRestructuring/info.php> (the "Case Website"), a notice of assumption and assignment, substantially in the form attached hereto as **Exhibit B** (the "Notice of Assumption and Assignment") and, included therewith, a list (the "Designated Contracts List") that specifies: (a) each of the Debtors' executory contracts and unexpired leases that may be assumed and assigned in connection with each Sale Transaction, including the name of the non-Debtor counterparty to such contract, whether or not the underlying agreement would be considered an executory contract or unexpired lease under applicable nonbankruptcy law (the "Designated Contracts"); and (b) the proposed amount necessary, if any, to cure all monetary defaults, if any, under each Designated Contract (the "Cure Costs"). The Debtors shall serve, via first class mail, a customized version of the Notice of Assumption and Assignment, without the Designated Contracts List, which will include: (a) instructions regarding how to view that list on the Case Website (the "DCL Instructions"); (b) information necessary and appropriate to provide

notice of the relevant proposed assumption and assignment of Designated Contracts and rights thereunder; (c) Cure Costs, if any; and (d) the procedures for objecting thereto ((b)-(d) collectively, the “Necessary Notice Information”) on all Designated Contract Counterparties. The Debtors shall serve on the Rule 2002 Notice List, via first class mail, a modified version of the Notice of Assumption and Assignment that contains the DCL Instructions and Necessary Notice Information. Service as set forth herein shall be deemed proper, due, timely, good, and sufficient notice and no other or further notice is necessary.

40. A counterparty to a Designated Contract (hereinafter referred to as “Designated Contract Counterparty”) listed on the Notice of Assumption and Assignment may file an objection (a “Designated Contract Objection”) only if such objection is to the proposed assumption and assignment of the applicable Designated Contract or the proposed Cure Costs, if any. All Designated Contract Objections must (a) state, with specificity, the legal and factual basis for the objection as well as what Cure Costs are required, if any, (b) include appropriate documentation in support thereof, and (c) be filed and served on the Objection Recipients no later than 4:00 p.m. (prevailing Eastern Time) 14 days following the Assumption and Assignment Service Date (the “Assumption and Assignment Objection Deadline”).

41. If a Designated Contract Counterparty files a Designated Contract Objection in a manner that is consistent with the requirements set forth above, and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid or reserved with respect to such objection will be determined at the Sale Hearing, such later hearing date that the Debtors determine in their discretion, or such other date determined by this Court.

B. Supplemental Notice of Assumption and Assignment.

42. Although the Debtors intend to make a good-faith effort to identify all Designated Contracts that may be assumed and assigned in connection with a Sale Transaction, the Debtors

may discover certain contracts inadvertently omitted from the Designated Contracts list or Successful Bidders may identify other executory contracts or unexpired leases that they desire to assume and assign in connection with the Sale Transaction. Accordingly, the Debtors reserve the right, but only in accordance with the applicable Stalking Horse Agreement, or as otherwise agreed by the Debtors and the Successful Bidder, at any time after the Assumption and Assignment Service Date and before the closing of a Sale Transaction, to: (a) supplement the list of Designated Contracts on the Notice of Assumption and Assignment with previously omitted Designated Contracts; (b) remove a Designated Contract from the list of contracts ultimately selected as a Designated Contract that a Successful Bidder proposes be assumed and assigned to it in connection with a Sale Transaction; and/or (c) modify the previously stated Cure Cost associated with any Designated Contract.

43. In the event that the Debtors exercise any of the rights reserved above, the Debtors will promptly serve a supplemental notice of assumption and assignment by electronic transmission, hand delivery, or overnight mail on the Designated Contract Counterparty, and its attorney, if known, at the last known address available to the Debtors (a “Supplemental Notice of Assumption and Assignment”). Each Supplemental Notice of Assumption and Assignment will include the same information with respect to listed Designated Contracts as was included in the Notice of Assumption and Assignment.

44. Any Designated Contract Counterparty listed on a Supplemental Notice of Assumption and Assignment may file an objection (a “Supplemental Designated Contract Objection”) only if such objection is to the proposed assumption and assignment of the applicable Designated Contract or the proposed Cure Costs, if any. All Supplemental Designated Contract Objections must: (a) state, with specificity, the legal and factual basis thereof as well as what Cure Costs the objecting party believes are required, if any; (b) include

appropriate documentation in support of the objection; and (c) be filed and served on the Objection Recipients no later than 14 days from the date of service of such Supplemental Notice of Assumption and Assignment, which date will be set forth in the Supplemental Notice of Assumption and Assignment.

45. If a Designated Contract Counterparty files a Supplemental Designated Contract Objection in a manner that is consistent with the requirements set forth above, and the parties are unable to consensually resolve the dispute, the Debtors will seek an expedited hearing before the Court (a "Supplemental Designated Contract Hearing") to determine the Cure Costs, if any, and approve the assumption of the relevant Designated Contracts. If there is no such objection, then the Debtors will obtain an order of this Court, including by filing a certification of no objection, (a "Supplemental Designated Contract Order") fixing the Cure Costs and approving the assumption of any Designated Contract listed on a Supplemental Notice of Assumption and Assignment.

C. Additional Notice of Assumption and Assignment Procedures.

46. If the Designated Contract Counterparty does not file and serve a Designated Contract Objection or Supplemental Designated Contract Objection in a manner that is consistent with the requirements set forth above, and absent a subsequent order of the Court establishing an alternative Cure Cost, (a) the Cure Costs, if any, set forth in the Notice of Assumption and Assignment (or Supplemental Notice of Assumption and Assignment) shall be controlling, notwithstanding anything to the contrary in any Designated Contract or any other document, and (b) the Designated Contract Counterparty will be deemed to have consented to the assumption and assignment of the Designated Contract and the Cure Costs, if any, and will be forever barred from asserting any other claims related to such Designated Contract against the Debtors or the applicable Successful Bidder, or the property of any of them.

47. Any objections to a Successful Bidder's proposed form of adequate assurance of future performance must be raised at the Sale Hearing or Supplemental Designated Contract Hearing, as applicable, and will be resolved at the hearing at which it is raised or, in the Debtors' discretion, adjourned to a later hearing.

48. The inclusion of a Designated Contract on the Notice of Assumption and Assignment (or Supplemental Notice of Assumption and Assignment) will not: (a) obligate the Debtors to assume any Designated Contract listed thereon or the Successful Bidders to take assignment of such Designated Contract; or (b) constitute any admission or agreement of the Debtors that such Designated Contract is an executory contract. Only those Designated Contracts that are included on a schedule of assumed and assigned contracts attached to each of the the final asset purchase agreements with the Successful Bidders (including amendments or modifications to such schedules in accordance with such agreement) will be assumed and assigned to the Successful Bidders.

Basis for Relief

I. The Bidding Procedures are Fair, Designed to Maximize the Value Received for the Assets, and Are Consistent with the Debtors' Reasonable Business Judgment.

49. Courts have made clear that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate's assets. *See, e.g., In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) ("Under Section 363, the debtor in possession can sell property of the estate . . . if he has an 'articulated business justification.'") (internal citations omitted); *see also In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) (explaining that courts usually defer to the trustee's "legitimate business justification" with respect to the "disposition of assets of the estate"); *In re Integrated Res., Inc.*, 147 B.R. 650, 656-57 (S.D.N.Y. 1992) (noting that bidding procedures that have been negotiated by a trustee are to be reviewed according to the

deferential “business judgment” standard, under which such procedures and arrangements are “presumptively valid”).

50. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998) (“The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate.”); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65 (8th Cir. 1997) (in bankruptcy sales, “a primary objective of the Code [is] to enhance the value of the estate at hand”); *In re Integrated Res., Inc.*, 147 B.R. at 659 (“[I]t is a well-established principle of bankruptcy law that the objective of the bankruptcy rules and the trustee’s duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate.”) (internal citations omitted).

51. To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., In re Integrated Res., Inc.*, 147 B.R. at 659 (bidding procedures “are important tools to encourage bidding and to maximize the value of the debtor’s assets”); *In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) (“court-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates”).

52. The Debtors believe that the Bidding Procedures—coupled with the extensive process already conducted by the Debtors and their advisors—will promote active bidding from seriously interested parties and will elicit the highest or otherwise best offers available for the Assets. The Bidding Procedures will allow the Debtors to conduct the Sale Transactions in a controlled, fair, and open fashion that will encourage participation by financially capable bidders

who will offer the best package for the Assets and who can demonstrate the ability to close a transaction. In particular, the Bidding Procedures contemplate an open auction process with minimum barriers to entry and provide potential bidding parties with sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed bid.

53. At the same time, the Bidding Procedures provide the Debtors with a robust, final opportunity to consider competing bids and select the highest or otherwise best offers for the completion of the Sale Transactions. Entering into the Stalking Horse Agreements with the Stalking Horse Bidders ensures that the Debtors can obtain fair market value by setting a minimum purchase price for the Assets that will be further tested in the marketplace. As such, creditors of the Debtors' estates can be assured that the consideration obtained will be fair and reasonable and at or above market.

54. The Debtors submit that the Bidding Procedures will encourage competitive bidding, are appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings, and are consistent with other procedures previously approved by this district. *See, e.g., In re Endeavour Operating Corp.*, No. 14-12308 (KJC) (Bankr. D. Del. May 20, 2015) [Docket No. 668] (providing for similar bidding procedures as the present motion); *In re Old FOH Inc. (f/k/a/ Frederick's of Hollywood, Inc.)*, No. 15-10836 (KG) (May 6, 2015) [Docket No. 120] (same); *In re RS Legacy Corp. (f/k/a RadioShack Corp.)*, No. 15-10197 (BLS) (Bankr. D. Del. Feb. 20, 2015) [Docket No. 457] (same); *In re Dendreon Corp.*, No. 14-12515 (PJW) (Bankr. D. Del. Dec. 17, 2014) [Docket No. 195] (same).

55. Accordingly, for all of the foregoing reasons, the Debtors believe that the Bidding Procedures: (a) will encourage robust bidding for the Assets; (b) are consistent with other procedures previously approved by courts in this District; and (c) are appropriate under the

relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings and should be approved.

II. The Bid Protections Have a Sound Business Purpose and Should be Approved.

56. The Debtors are also seeking authority to offer customary bid protections. The Debtors have agreed to pay a Breakup Fee and Expense Reimbursement Fee to the Stalking Horse Bidders in accordance with the terms of the Stalking Horse Agreements as allowed administrative expenses. The use of a stalking horse in a public auction process for sales pursuant to section 363 of the Bankruptcy Code is a customary practice in chapter 11 cases, as the use of a stalking horse bid is, in many circumstances, the best way to maximize value in an auction process by “establish[ing] a framework for competitive bidding and facilitat[ing] a realization of that value.” *Official Committee of Unsecured Creditors v. Interforum Holding LLC*, 2011 WL 2671254, No. 11-219, *1 (E.D. Wis. July 7, 2011). As a result, stalking horse bidders virtually always require break-up fees and, in many cases, other forms of bid protections as an inducement for “setting the floor at auction, exposing its bid to competing bidders, and providing other bidders with access to the due diligence necessary to enter into an asset purchase agreement.” *Id.* (internal citations omitted). Thus, the use of bid protections has become an established practice in chapter 11 cases.

57. Indeed, break-up fees and other forms of bid protections are a normal and, in many cases, necessary component of significant sales conducted under section 363 of the Bankruptcy Code. “Break-up fees are important tools to encourage bidding and to maximize the value of the debtor’s assets . . . In fact, because the . . . corporation has a duty to encourage bidding, break-up fees can be *necessary* to discharge [such] duties to maximize value.” *In re Integrated Res., Inc.*, 147 B.R. at 659–60 (emphasis added). Specifically, bid protections may be necessary to convince a white knight bidder to enter the bidding by providing some form of

compensation for the risks that it is undertaking. *In re Integrated Res., Inc.*, 147 B.R. at 660–61 (bid protections can prompt bidders to commence negotiations and “ensure that a bidder does not retract its bid”); *In re Hupp Int’l Indus., Inc.*, 140 B.R. 191, 194 (Bankr. N.D. Ohio 1992) (“[W]ithout such fees, bidders would be reluctant to make an initial bid for fear that their first bid will be shopped around for a higher bid from another bidder who would capitalize on the initial bidder’s . . . due diligence.”).

58. As a result, courts routinely approve bid protections in connection with proposed bankruptcy sales where a proposed fee or reimbursement provides a benefit to the estate. *See In re O’Brien Envtl. Energy, Inc.*, 181 F.3d 527 (3d Cir. 1999). The Debtors believe that the allowance of the Bid Protections is in the best interests of the Debtors’ estates and their creditors, as the Stalking Horse Bids will establish a floor for further bidding that may increase the consideration given in exchange for the Assets for the benefit of the Debtors’ estates.

59. Here, the Bid Protections are a critical component of the auction and sale process. The Stalking Horse Bidders have expended and will continue to expend time and resources negotiating, drafting, and performing due diligence activities necessitated by the Sale Transactions, despite the fact that their bid will be subject not only to Court approval, but also to overbidding by third parties. Additionally, the Stalking Horse Bidders are unable to hedge the Debtors’ production while their bids remain outstanding, leaving the Stalking Horse Bidders exposed to potential fluctuations in the commodity markets. As a result, by agreeing to the Bid Protections, the Debtors ensure that their estates will have the benefit of the transactions with the Stalking Horse Bidders without sacrificing the potential for interested parties to submit overbids at the Auction.

60. If the Court does not approve the Bid Protections, the Stalking Horse Bidders may elect not to serve as the “stalking horse” to the detriment of the Debtors’ estates. Further, if the

Bid Protections were to be paid, it likely will be because the Debtors have received higher or otherwise superior offers for the Assets. In short, the proposed Bid Protections are fair and reasonable under the circumstances because they constitute a “fair and reasonable percentage of the proposed purchase price” and are “reasonably related to the risk, effort, and expenses of the prospective purchaser.” *In re Integrated Res., Inc.*, 147 B.R. at 662 (quoting *In re 995 Fifth Ave. Assocs, L.P.*, 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989)). Accordingly, the Bid Protections should be approved.

III. The Sale Transactions Should Be Approved as an Exercise of Sound Business Judgment.

61. Section 363(b)(1) of the Bankruptcy Code provides that a debtor, “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). A sale of the debtor’s assets should be authorized pursuant to section 363 of the Bankruptcy Code if a sound business purpose exists for the proposed transaction. *See, e.g., In re Martin*, 91 F.3d at 395 (“Under Section 363, the debtor in possession can sell property of the estate . . . if he has an ‘articulated business justification’”); *see also In re Schipper*, 933 F.2d at 515 (same); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983) (same); *In re Telesphere Commc’s, Inc.*, 179 B.R. 544, 552 (Bankr. N.D. Ill. 1999) (same).

62. Once the Debtors articulate a valid business justification, “[t]he business judgment rule ‘is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action was in the best interests of the company.’” *In re S.N.A. Nut Co.*, 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citations omitted); *In re Filene’s Basement, LLC*, 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) (“If a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best

interests of the estate”) (citations omitted); *In re Integrated Res., Inc.*, 147 B.R. at 656 (explaining that the business judgment rule’s presumption that corporate directors “acted on informed basis, in good faith and in the honest belief that action taken was in the best interests of the company”); *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“a presumption of reasonableness attaches to a Debtor’s management decisions.”).

A. *A Sound Business Purpose Exists for the Sale Transactions.*

63. As set forth above, the Debtors have a sound business justification for selling the Assets. **First**, the Debtors believe the Sale Transactions will maximize the Assets’ going-concern value. Moreover, because the Stalking Horse Agreements contemplate the assumption of certain of the Debtors’ Designated Contracts, the Sales will result in payment in full for a number of the Debtors’ contract creditors.

64. **Second**, the Sale Transactions will be subject to competing bids, enhancing the Debtors’ ability to receive the highest or otherwise best value for the Assets. Consequently, the ultimately successful bids, after being subject to a further “market check” in the form of the Auction, will constitute, in the Debtors’ reasonable business judgment, the highest or otherwise best offers for the Assets and will provide a greater recovery for their estates than any known or practicably available alternative. *See, e.g., In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at *4 (Bankr. D. Del. 2001) (while a “section 363(b) sale transaction does not require an auction procedure . . . the auction procedure has developed over the years as an effective means for producing an arm’s length fair value transaction.”).

65. Thus, the Debtors submit that the Successful Bidders’ asset purchase agreements, which may include the Stalking Horse Agreements, will constitute the highest or otherwise best offers for the Assets and will provide a greater recovery for the Debtors’ estates than would be provided by any other available alternative. As such, the Debtors’ determination to sell the

Assets through an Auction process and to enter into the Stalking Horse Agreements and the Successful Bidders' asset purchase agreements (if different) will be a valid and sound exercise of the Debtors' business judgment. The Debtors will submit evidence at the Sale Hearing to support these conclusions. Therefore, the Debtors request that the Court make a finding that the proposed Sale Transactions are a proper exercise of the Debtors' business judgment and are rightly authorized.

B. Adequate and Reasonable Notice of the Sale Transactions Will Be Provided.

66. As described above, the Sale Notice: (a) will be served in a manner that provides adequate notice of the date, time, and location of the Sale Hearing; (b) informs parties in interest of the deadlines for objecting to the Sale Transactions or the assumption and assignment of the Designated Contracts; and (c) otherwise includes all information relevant to parties interested in or affected by the Sale Transactions. Significantly, the form and manner of the Sale Notice will have been approved by this Court pursuant to the Bidding Procedures Order after notice and a hearing before it is served on parties in interest.

C. The Sale Transactions and Purchase Prices Reflect a Fair Value Transaction.

67. It is well settled that, where there is a court-approved auction process, a full and fair price is presumed to have been obtained for the assets sold, as the best way to determine value is exposure to the market. *See Bank of Am. Nat'l Trust & Sav. Ass'n. v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999) (explaining that the "best way to determine value is exposure to a market"); *see also In re Trans World Airlines, Inc.*, 2001 WL 1820326, *4 (while a "section 363(b) sale transaction does not require an auction procedure . . . the auction procedure has developed over the years as an effective means for producing an arm's length fair value transaction.").

68. Moreover, as noted above, even as the Debtors move forward with the Sale Transactions, the Debtors will continue to market the Assets and solicit other offers consistent with the Bidding Procedures, including, for example, by contacting previously solicited parties, continuing to provide Qualified Bidders with data room access and requested information, considering a variety of alternative transaction structures, and otherwise assisting the Debtors with all efforts to increase transaction value. In this way, the number of bidders that are eligible to participate in a competitive Auction process will be maximized, or, if no Auction is held because no Auction is necessary, the respective Purchase Price will, conclusively, be fair value.

D. The Sale Transactions Have Been Proposed in Good Faith and Without Collusion, and the Stalking Horse Bidders or Successful Bidders Are Good-Faith Purchasers.

69. The Debtors request that the Court find that each Successful Bidder is entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with each Sale Transaction.

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

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

11 U.S.C. § 363(m).

71. Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal, as long as such purchaser leased or purchased the assets in “good faith.” While the Bankruptcy Code does not define “good faith,” courts have held that a purchaser shows its good faith through the integrity of its

conduct during the course of the sale proceedings, finding that where there is a lack of such integrity, a good-faith finding may not be made. *See, e.g., In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143, 147 (3d Cir. 1986) (“Typically, the misconduct that would destroy a [buyer’s] good faith status at a judicial sale involves fraud, collusion between the [proposed buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”); *In the Matter of Andy Frain Services, Inc.*, 798 F.2d 1113 (7th Cir. 1986) (same); *In re Sasson Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988) (same).

72. The Debtors submit that each Successful Bidder is or would be “good faith purchasers” within the meaning of section 363(m) of the Bankruptcy Code, and each Stalking Horse Agreement, or any marked versions thereof, is or would be a good-faith agreement on arm’s-length terms entitled to the protections of section 363(m) of the Bankruptcy Code.⁷ **First**, as set forth in more detail above, the consideration to be received by the Debtors pursuant to each Sale Transaction is substantial, fair, and reasonable. **Second**, the parties entered into each Sale Transaction in good faith and after extensive, arm’s-length negotiations, during which all parties were represented by competent counsel, and any sale agreement with a Successful Bidder will be the culmination of a competitive Auction process in which all parties will presumably be represented by counsel and all negotiations will be conducted on an arm’s-length, good-faith basis. **Third**, there is no indication of any “fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders” or similar conduct that would cause or permit a Sale Transaction to be avoided under section 363(n) of the

⁷ The Debtors believe that a finding of good faith within the meaning of section 363(m) of the Bankruptcy Code will be appropriate for any Successful Bidder. Pursuant to the Bidding Procedures, any Successful Bidder will have had to present a proposal in accordance with the Bidding Procedures. In addition, the Debtors will not choose as the Successful Bidder or Backup Bidder (as defined in the Bidding Procedures) any entity whose good faith under section 363(m) of the Bankruptcy Code can reasonably be doubted, and will be prepared to present the Court with sufficient evidence to allow the Court to find that the “good faith” standard of section 363(m) of the Bankruptcy Code has been satisfied.

Bankruptcy Code. And, with respect to potential bidders, the Bidding Procedures are designed to ensure that no party is able to exert undue influence over the process. *Fourth*, each Successful Bidder's offer was evaluated and approved by the Debtors in consultation with their advisors, and any other bids that the Debtors ultimately determine to be a successful bid will have been evaluated in a similar fashion. Accordingly, the Debtors believe that each Successful Bidder and Stalking Horse Agreement (or marked version thereof) will be entitled to the full protections of section 363(m) of the Bankruptcy Code.

E. The Sale Should be Approved "Free and Clear" Under § 363(f).

73. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party's interest in the property if: (a) applicable nonbankruptcy law permits such a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is the subject of a bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f).

74. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant the sale of the Assets free and clear of all Interests (i.e., all liens, claims, rights, interests, charges, or encumbrances), except with respect to any Interests that may be assumed liabilities under the applicable Stalking Horse Agreement. *See In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) ("[I]f any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.").

75. The Debtors submit that any Interest that will not be an assumed liability satisfies or will satisfy at least one of the five conditions of section 363(f) of the Bankruptcy Code, and that any such Interest will be adequately protected by either being paid in full at the time of closing, or by having it attach to the net proceeds of the Sale, subject to any claims and defenses

the Debtors may possess with respect thereto. The Debtors accordingly request authority to convey the Assets to each Successful Bidder free and clear of all Interests including liens, claims, rights, interests, charges, and encumbrances, with any such liens, claims, rights, interests, charges, and encumbrances to attach to the proceeds of the Sale.

F. Credit Bidding Should Be Authorized Under Section 363(k) of the Bankruptcy Code.

76. A Secured Creditor is allowed to “credit bid” the amount of its claim in a sale. Section 363(k) of the Bankruptcy Code provides, in relevant part, that unless the court for cause orders otherwise, the holder of a claim secured by property that is the subject of the sale “may bid at such sale, and, if the holder of such claim purchases such property, such holder may offset such claim against the purchase price of such property.” 11 U.S.C. § 363(k). Even if a secured creditor is undersecured as determined in accordance with section 506(a) of the Bankruptcy Code, section 363(k) allows such secured creditor to bid the total face value of its claim and does not limit the credit bid to the claim’s economic value. *See In re Submicron Sys. Corp.*, 432 F.3d 448, 459–60 (3d Cir. 2006) (explaining that “[i]t is well settled among district court and bankruptcy courts that creditors can bid the full face value of their secured claims under section 363(k)”).

77. In this district, absent cause for restricting a secured creditor to credit bid in limited circumstances, courts have consistently ruled in favor of a right to credit bid its claim in the face amount of the debtor’s obligation in the context of a sale completed outside of a plan of reorganization. *See In re PTC Alliance Corp.*, No. 09-13395 (Bankr. D. Del. Nov. 6, 2009) [Docket No. 226] (order authorizing, but not directing, the administrative agent to credit bid); *In re Hayes Lemmerz Intl, Inc.*, No. 09-11655 (Bankr. D. Del. Sept. 22, 2009) [Docket No. 644] (order authorizing any interested party to exercise its right under Bankruptcy Code section 363(k) to make a credit bid); *In re Foamex Int’l Inc.*, No. 09-10560, (Bankr. D. Del. May 27,

2009) (order authorizing the sale of substantially all of the debtor's assets in a \$155 million credit bid over a \$151.5 million all-cash bid); *In re GWLS Holdings, Inc.*, 2009 WL 453110 (Bankr. D. Del. Feb. 23, 2009) (order approving the sale of substantially all of the debtor's assets, free and clear, through a credit bid); *see also In re SubMicron Sys. Corp.*, 432 F.3d at 459–60 (citation omitted) (“It is well settled among district and bankruptcy courts that creditors can bid the full face value of their secured claims under § 363(k)”).

IV. The Form and Manner of the Sale Notice Should Be Approved.

78. Pursuant to Bankruptcy Rule 2002(a), the Debtors are required to provide creditors with 21 days' notice of the Sale Hearing. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the Auction and the Sale Hearing and the deadline for filing any objections to the relief requested herein.

79. As noted above, within seven days of entry of the Bidding Procedures Order or as soon as reasonably practicable thereafter, the Debtors will serve the Sale Notice upon the following parties or their respective counsel, if known: (a) all entities reasonably known to have expressed an interest in a transaction with respect to all or part of the Assets within the past two years; (b) all entities known to have asserted any lien, claim, interest, or encumbrance in or upon any of the Assets; (c) counsel for the Committee; (d) counsel for the first lien agent; (e) counsel for the second lien agent; (f) the U.S. Trustee; (g) all federal, state, and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief granted herein; (h) the SEC; (i) the Internal Revenue Service; (j) all parties entitled to notice pursuant to Local Rule 2002-1(b); (k) all known creditors of the Debtors, including their contract counterparties; and (l) all registered holders of equity securities in the Debtors. The Debtors shall also publish an abbreviated version of the Sale Notice in the *New York Times* and *Tulsa World* at least ten days prior to the Auction.

80. The Debtors submit that notice of this motion and the related hearing to consider entry of the Bidding Procedures Order, coupled with service of the Sale Notice, and the Notice of Assumption and Assignment as provided for herein, constitutes good and adequate notice of the Sale and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002. Accordingly, the Debtors request that this Court approve the form and manner of the Sale Notice.

V. The Assumption Procedures Are Appropriate and Should Be Approved.

81. As set forth above, the Sale contemplates the assumption and assignment of the Designated Contracts to the Successful Bidder. In connection with this process, the Debtors believe it is necessary to establish a process by which: (a) the Debtors and Designated Contract Counterparties can reconcile cure obligations, if any, in accordance with section 365 of the Bankruptcy Code; and (b) such counterparties can object to the assumption and assignment of the Designated Contracts and/or related cure amounts (the “Assumption and Assignment Procedures”).

82. As set forth in the Bidding Procedures Order, the Debtors also request that any party that fails to object to the proposed assumption and assignment of any Designated Contract be deemed to consent to the assumption and assignment of the applicable Designated Contract pursuant to section 365 of the Bankruptcy Code on the terms set forth in the Sale Order, along with the cure amounts identified in the Notice of Assumption and Assignment. *See, e.g., In re Tabone, Inc.*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (by not objecting to sale motion, creditor deemed to consent); *Pelican Homestead v. Wooten (In re Gabel)*, 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same).

83. The Debtors believe that the Assumption and Assignment Procedures are fair and reasonable, provide sufficient notice to the Designated Contract Counterparties, and provide

certainty to all parties in interest regarding their obligations and rights in respect thereof. Accordingly, the Debtors request the Court approve the Assumption and Assignment Procedures set forth in the Bidding Procedures Order.

VI. The Assumption and Assignment of the Contracts Should Be Approved.

A. The Assumption and Assignment of the Contracts Reflects the Debtors' Reasonable Business Judgment.

84. To facilitate and effectuate the Sale, the Debtors are seeking authority to assign or transfer the Designated Contracts to the Successful Bidders to the extent required by such bidders.

85. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assign its executory contracts and unexpired leases, subject to the approval of the court, provided that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. The Debtors' decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See, e.g., Group of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523 (1943) (applying Bankr. Act section 77(b), predecessor to Bankruptcy Code section 365, and rejecting test of whether executory contract was burdensome in favor of whether rejection is within debtor's business judgment); *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989) (describing deference to a debtor's business judgment as "breathing space afforded [to] the debtor to consider whether to reject or assume executory contracts under the Code."); *In re Network Access Solutions, Corp.*, 330 B.R. 67, 75 (Bankr. D. Del. 2005) ("The standard for approving the assumption of an executory contract is the business judgment rule"); *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006) ("The propriety of a decision to reject an executory contract is governed by the business judgment standard").

86. Here, the Court should approve the decision to assume and assign the Designated Contracts in connection with the Sale as a sound exercise of the Debtors' business judgment. *First*, the Designated Contracts are necessary to run the business and, as such, they are essential to inducing the best offer for the Assets. *Second*, it is unlikely that any purchaser would want to acquire any company on a going-concern basis unless a significant number of the contracts and leases needed to conduct the business and manage the day-to-day operations were included in the transaction. *Third*, each of the Stalking Horse Agreements provide that the assumption and assignment of the Contracts is integral to, and inextricably integrated in, the applicable Sale Transactions. *Fourth*, the Designated Contracts will be assumed and assigned through the process approved by the Court pursuant to the Bidding Procedures Order and, thus, will be reviewed by key constituents in these chapter 11 cases.

87. Accordingly, the Debtors submit that the assumption and assignment of the Designated Contracts by way of the Assumption and Assignment Procedures should be approved as an exercise of their business judgment.

B. Defaults Under the Assumed Contracts Will Be Cured in Connection with the Sale Transactions.

88. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code, specifically that a debtor (a) cure, or provide adequate assurance of promptly curing, prepetition defaults in the executory contract, (b) compensate parties for pecuniary losses arising therefrom, and (c) provide adequate assurance of future performance thereunder. This section "attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to get the performance it bargained for and the right of the debtor's creditors to get

the benefit of the debtor's bargain." *In re Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D.N.Y. 1980).

89. The Debtors submit that the statutory requirements of section 365(b)(1)(A) of the Bankruptcy Code will be promptly satisfied because the Stalking Horse Agreements require the cure of all defaults associated with, or that are required to properly assume, the Designated Contracts. Because the Assumption and Assignment Procedures provide a clear process by which to resolve disputes over cure amounts or other defaults, the Debtors are confident that if defaults exist that must be cured, such cure will be achieved fairly, efficiently, and properly, consistent with the Bankruptcy Code and with due respect to the rights of non-debtor parties.

C. Non-Debtor Parties Will Be Adequately Assured of Future Performance.

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

91. The Debtors believe that they can and will demonstrate that the requirements for assumption and assignment of the Designated Contracts to the Successful Bidders will be satisfied. As required by the Bidding Procedures, the Debtors will evaluate the financial wherewithal of potential bidders before designating such party a Qualified Bidder (*e.g.*, financial credibility, willingness, and ability of the interested party to perform under the Designated Contracts) and will demonstrate such financial wherewithal, willingness, and ability to perform under the Designated Contracts assigned to the Successful Bidder. Further, the Assumption and Assignment Procedures provide the Court and other interested parties ample opportunity to evaluate and, if necessary, challenge the ability of a Successful Bidder to provide adequate assurance of future performance and object to the assumption of the Designated Contracts or proposed cure amounts. The Court therefore will have a sufficient basis to authorize the Debtors to reject or assume and assign the Designated Contracts as set forth in each Stalking Horse Agreement.

VII. Relief Under Bankruptcy Rules 6004(h) and 6006(d) Is Appropriate.

92. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). Additionally, Bankruptcy Rule 6006(d) provides that an “order authorizing the trustee to assign an executory contract or unexpired lease . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6006(d). The Debtors request that the Sale Order be effective immediately upon its entry by providing that the fourteen-day stays under Bankruptcy Rules 6004(h) and 6006(d) are waived.

93. The purpose of Bankruptcy Rules 6004(h) and 6006(d) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory

Committee Notes to Fed. R. Bankr. P. 6004(h) and 6006(d). Although Bankruptcy Rules 6004(h) and 6006(d) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the fourteen-day stay period, the leading treatise on bankruptcy suggests that the fourteen-day stay should be eliminated to allow a sale or other transaction to close immediately “where there has been no objection to procedure.” 10 Collier on Bankr. ¶ 6004.10 (15th rev. ed. 2006). Furthermore, if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.*

94. To maximize the value received for the Assets, the Debtors seek to close the Sale Transactions as soon as possible after the Sale Hearing. Accordingly, the Debtors hereby request that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

No Prior Request

95. No prior motion for the relief requested herein has been made to this or any other court.

Notice

96. The Debtors will provide notice of this motion to: (a) the Office of the U.S. Trustee for the District of Delaware; (b) the Committee; (c) the agent under the Debtors’ first lien credit facility; (d) counsel to the agent under the Debtors’ first lien credit facility; (e) the agent under the Debtors’ second lien credit facility; (f) counsel to the agent under the Debtors’ second lien credit facility; (g) the Internal Revenue Service; (h) the United States Securities and Exchange Commission; (i) counsel to the Stalking Horse Bidder, if any; (j) all parties who have expressed a written interest in some or all of the Assets; (k) all known holders of liens, encumbrances, and other claims secured by the Assets; and (l) each governmental agency that is an interested party with respect to the Sale Transactions and transactions proposed

thereunder. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors respectfully request that the Court enter the Order, attached

hereto as **Exhibit A**.

Dated: September 6, 2016
Wilmington, Delaware

/s/ Domenic E. Pacitti

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Co-Counsel for the Debtors and Debtors in Possession

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

In re:)	
	)	Chapter 11
SAMSON RESOURCES CORPORATION, <i>et al.</i> , ¹	)	Case No. 15-11934 (CSS)
)	
Debtors.	)	(Jointly Administered)
)	
	)	Objection Deadline: September 20, 2016 at 4:00 p.m.
	)	(solely with respect to bidding procedures relief)
	)	Hearing Date: September 27, 2016 at 9:00 a.m.
	)	(solely with respect to bidding procedures relief)

**NOTICE OF DEBTORS’ MOTION FOR ENTRY OF AN ORDER
(I) ESTABLISHING BIDDING PROCEDURES AND GRANTING
RELATED RELIEF AND (II) APPROVING THE SALE OF CERTAIN ASSETS
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS**

PLEASE TAKE NOTICE THAT on September 6, 2016, the above-captioned debtors and debtors-in-possession (the “Debtors”), filed the *Debtors’ Motion for Entry of an Order (I) Establishing Bidding Procedures and Granting Related Relief and (II) Approving the Sale of Certain Assets Free and Clear of Liens, Claims, Encumbrances, and Interests* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (“Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that any responses to the Motion solely with respect to the bidding procedures portion of the relief requested must be in writing and filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Third Floor, Wilmington, Delaware 19801, and served upon the undersigned, so as to be received on or **before 4:00 p.m. on September 20, 2016.**

PLEASE TAKE FURTHER NOTICE THAT, IF AN OBJECTION IS PROPERLY FILED AND SERVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, A HEARING WILL BE HELD ON SEPTEMBER 27, 2016 AT 9:00 A.M. SOLELY WITH RESPECT TO THE BIDDING PROCEDURES PORTION OF THE RELIEF REQUESTED BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI, UNITED STATES BANKRUPTCY JUDGE FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); Samson Investment Company (1091); Samson Lone Star, LLC (9455); Samson Resources Company (8007); and Samson Resources Corporation (1227). The location of parent Debtor Samson Resources Corporation’s corporate headquarters and the Debtors’ service address is: Two West Second Street, Tulsa, Oklahoma 74103.

COURT ROOM #6, 5TH FLOOR, WILMINGTON, DELAWARE 19801. ONLY OBJECTIONS MADE IN WRITING AND TIMELY FILED WILL BE CONSIDERED BY THE BANKRUPTCY COURT AT SUCH HEARING.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: September 6, 2016
Wilmington, Delaware

/s/ Domenic E. Pacitti

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Exhibit A

Proposed Bidding Procedures Order

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

In re:)	
	)	Chapter 11
SAMSON RESOURCES CORPORATION, <i>et al.</i> , ¹	)	Case No. 15-11934 (CSS)
)	
Debtors.	)	(Jointly Administered)
)	
	)	Re: Docket No. _____

**ORDER (I) ESTABLISHING BIDDING PROCEDURES AND GRANTING
RELATED RELIEF AND (II) APPROVING THE SALE OF CERTAIN ASSETS
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS**

Upon consideration of the motion (the “Motion”)² of the above captioned debtors and debtors in possession (the “Debtors”) for the entry of an order (this “Bidding Procedures Order”): (a) approving the proposed bidding procedures attached as **Schedule 1** to the Bidding Procedures Order (the “Bidding Procedures”) by which the Debtors will solicit and select the highest or otherwise best offer for the sale of certain of their assets, including those more specifically identified in the Bidding Procedures (the “Assets”) to be effectuated through one or more sales of the Assets (each, a “Sale Transaction”); (b) approving the procedures attached to the Motion as **Exhibit B** for the assumption and assignment of executory contracts and unexpired leases, including notice of proposed cure amounts (the “Assumption and Assignment Procedures”); (c) approving the form and manner of notice with respect to certain procedures, protections, schedules, and agreements described herein and attached hereto; (d) scheduling (i)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); Samson Investment Company (1091); Samson Lone Star, LLC (9455); Samson Resources Company (8007); and Samson Resources Corporation (1227). The location of parent Debtor Samson Resources Corporation’s corporate headquarters and the Debtors’ service address is: Two West Second Street, Tulsa, Oklahoma 74103.

² Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Motion or the Bidding Procedures, as applicable.

approval of the Debtors' selection of the following stalking horse bidders: (A) The Southern Ute Indian Tribe, d/b/a Red Willow Production Company as to San Juan, (B) Tecolote Holdings, LLC, as to West Anadarko; (C) Resource Energy Can-Am LLC, as to Williston; and (D) any other party with which the Debtors have executed a Stalking Horse Agreement covering other assets any time before the date that is 14 days prior to the Bidding Procedures Hearing (each, a "Stalking Horse Bidder") and the provision of Bid Protections (as defined below) to such Stalking Horse Bidder; (ii) an auction (the "Auction") if the Debtors receive two or more timely and acceptable Qualified Bids (as defined below); and (iii) a final hearing (the "Sale Hearing") to approve one or more Sales of the Assets; and (e) granting related relief, and upon the Debtors further request that, at the Sale Hearing, this Court enter an order or orders (each, a "Sale Order"), a proposed form of which will be filed before the Sale Hearing, (x) authorizing the sale of the Assets free and clear of liens, claims, interests, and encumbrances (collectively, the "Interests") with any such Interests to attach to the proceeds thereof with the same validity and priority (under the Bankruptcy Code) as such Interests had against the Assets immediately prior to the consummation of the Sale; (y) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (z) granting related relief, all as more fully described in the Motion; and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and the Court having found that the Debtors provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the

circumstances; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if any, before the Court (the “Bidding Procedures Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

A. The findings of fact and conclusions of law herein constitute the Court’s findings of fact and conclusions of law for the purposes of Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent any findings of facts are conclusions of law, they are adopted as such. To the extent any conclusions of law are findings of fact, they are adopted as such.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The statutory bases for the relief requested in the Motion are sections 105, 363, 365, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002(a)(2), 6004, 6006, 9007, and 9014, and Local Rule 6004-1. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. Entry of this Bidding Procedures Order is in the best interests of the Debtors and their respective estates, creditors, and all other parties-in-interest.

D. Notice of the Motion, the Bidding Procedures Hearing, and the proposed entry of this Bidding Procedures Order was adequate and sufficient under the circumstances of these chapter 11 cases, and such notice complied with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. Notice of the Motion has been given

to: (i) the Office of the U.S. Trustee for the District of Delaware; (ii) the Committee; (iii) the agent under the Debtors' first lien credit facility; (iv) counsel to the agent under the Debtors' first lien credit facility; (v) the agent under the Debtors' second lien credit facility; (vi) counsel to the agent under the Debtors' second lien credit facility; (vii) the Internal Revenue Service; (viii) the United States Securities and Exchange Commission; (ix) counsel to the Stalking Horse Bidders; (x) all parties who have expressed a written interest in some or all of the Assets; (xi) all entities known to have or to have asserted any lien, claim, interest, or encumbrance in or upon any of the Assets; (xii) all parties on the Rule 2002 Notice list; and (xiii) each governmental agency that is an interested party with respect to the Sale Transaction and transactions proposed thereunder, including without limitation, the United States Bureau of Land Management and the United States Bureau of Indian Affairs. Accordingly, no further notice of the Motion, the Bidding Procedures Hearing, or this Bidding Procedures Order is necessary or required.

E. The Debtors have demonstrated a compelling and sound business justification for the Court to grant the relief requested in the Motion, including, without limitation, to (i) approve the Bidding Procedures, including the procedures for selecting (a) Red Willow Production Company as the Stalking Horse Bidder for San Juan, (b) Tecolote Holdings, LLC as the Stalking Horse Bidder for West Anadarko, and (c) Resource Energy Can-Am LLC as the Stalking Horse Bidder for Williston; (ii) establish the Assumption and Assignment Procedures, (iii) approve the form and manner of notice of all procedures, protections, schedules, and agreements described in the Motion and attached thereto, and (iv) schedule a date for the (a) Auction and (b) Sale Hearing; and (v) grant related relief as set forth herein. Such compelling and sound business justification, which was set forth in the Motion and on the record at the Bidding Procedures

Hearing, are incorporated herein by reference and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

F. Entry into the Stalking Horse Agreements with the Stalking Horse Bidders, which are attached to the Motion as **Exhibit C-1**, **Exhibit C-2**, and **Exhibit C-3**, is in the best interests of the Debtors and the Debtors' estates and creditors, and it reflects a sound exercise of the Debtors' business judgment. The Stalking Horse Agreements provide the Debtors with the opportunity to sell certain of the Assets in order to preserve and realize their optimal value. The Debtors' entry into the Stalking Horse Agreements will enable the Debtors to secure fair and adequate baseline prices for the Assets at any Auction and, accordingly, will provide a benefit to the Debtors' creditors and other parties in interest.

G. The Bidding Procedures, substantially in the form attached hereto as **Schedule 1** and incorporated herein by reference as if fully set forth in this Bidding Procedures Order, are fair, reasonable, and appropriate and represent the best method for maximizing the value of the Debtors' estates. The Bid Protections, including the Bid Protections specifically set forth in the Bidding Procedures: (i) shall, if triggered, be deemed an actual and necessary cost and expense of preserving the Debtors' estates, within the meaning of sections 503(b) and 507(a)(2) of the Bankruptcy Code in accordance with the applicable Stalking Horse Agreement; (ii) are commensurate to the real and substantial benefit conferred upon the Debtors' estates by the Stalking Horse Bidders; (iii) are reasonable and appropriate, including in light of the size and nature of each proposed Sale Transaction and comparable transactions, the commitments that have been made, and the efforts that have been and will be expended by the Stalking Horse Bidders, notwithstanding that each proposed Sale Transaction is subject to higher or better

offers; and (iv) were necessary for each Stalking Horse Bidder to pursue the Sale Transaction and to be bound by their respective Stalking Horse Agreement.

H. The Bid Protections are necessary to facilitate competitive, value-maximizing Sale Transactions. The Stalking Horse Bidders have provided a material benefit to the Debtors and their creditors by increasing the likelihood that, given the circumstances, the best possible price for the Assets will be received. Accordingly, the Bidding Procedures and the Bid Protections are reasonable and appropriate and represent the best method for maximizing value for the benefit of the Debtors' estates. The Bidding Procedures and the Bid Protections are reasonable and appropriate and represent the best method for maximizing value for the benefit of the Debtors' estates. The Bidding Procedures and the Bid Protections were a material inducement to, and express condition of, the willingness of the Stalking Horse Bidders to submit bids through execution of their respective Stalking Horse Agreements that will serve as a minimum or floor bid on which the Debtors, their creditors, suppliers, vendors, and other bidders may rely.

I. The Bidding Procedures and the Stalking Horse Agreements were negotiated by the parties at arms' length and in good faith by the Debtors and each of the Stalking Horse Bidders.

J. The Assumption and Assignment Notice, substantially in the form attached to the Motion as **Exhibit B** and incorporated herein by reference as if fully set forth in this Bidding Procedures Order, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the potential assumption and assignment of the applicable Designated Contracts in connection with each sale of the Assets and the related Cure Costs, and no other or further notice is required. The Motion, this Bidding Procedures Order, and the

Assumption and Assignment Procedures set forth herein are reasonably calculated to provide counterparties to any executory contracts or unexpired leases to be assumed by the Debtors and assigned to the Successful Bidder with proper notice of the intended assumption and assignment of their Designated Contracts, the procedures in connection therewith, and any cure amounts relating thereto.

K. The Sale Notice, substantially in the form attached to the Motion as **Exhibit D**, and incorporated herein by reference as if fully set forth in this Bidding Procedures Order, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of each sale of Assets, including, without limitation: (i) the date, time, and place of the Auction (if one is held); (ii) the Bidding Procedures; (iii) the deadline for filing objections to the Sale Transaction and entry of the applicable Sale Order, and the date, time, and place of the Sale Hearing; (iv) reasonably specific identification of the Assets to be sold; (v) instructions for promptly obtaining copies of the applicable Stalking Horse Agreement; (vi) a description of the Sale Transaction as being free and clear of liens, claims, encumbrances, and other interests (except as set forth in the applicable Sale Order and the Stalking Horse Agreement), with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the Sale Transaction proceeds; and (vii) notice of the proposed assumption and assignment of Designated Contracts to the applicable Stalking Horse Bidder pursuant to the Stalking Horse Agreement (or to another Successful Bidder arising from the Auction, if any), and no other or further notice of the Sale Transaction shall be required.

L. The Post-Auction Notice, substantially in the form attached to the Motion as **Exhibit E** and incorporated herein by reference as if fully set forth in this Bidding Procedures

Order, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Successful Bidder(s), and no other or further notice is required.

M. The Debtors' marketing process to date has been reasonably calculated to maximize value for the benefit of all stakeholders, and the Debtors' prior actions in connection with the marketing process are hereby approved.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as provided herein.³
2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by stipulation filed with the Court, are overruled.

I. Timeline for the Sale Transactions

3. The Debtors are authorized to perform any obligations of the Debtors set forth in the Stalking Horse Agreements, including the Stalking Horse Agreements executed prior to the entry of this Order, that are intended to be performed prior to the Sale Hearing or entry of the Sale Order. The Debtors are authorized to proceed with the Sale Transactions in accordance with the Bidding Procedures and are authorized to take any and all actions reasonably necessary or appropriate to implement the Bidding Procedures in accordance with the following timeline:

³ Notwithstanding anything to the contrary herein, the consummation of any Sale Transaction is subject to entry of the Sale Order.

<u>Action</u>	<u>Deadline</u>
Bid Deadline	5:00 p.m. (prevailing Eastern Time) on [the date that is 7 days following entry of the Order approving the Bidding Procedures as the deadline by which bids for the Assets (as well as the deposit and all other documentation required under the Bidding Procedures for Qualified Bidders (as defined in the Bidding Procedures)) must be actually received (the “ <u>Bid Deadline</u> ”)]
Sale Objection Deadline	4:00 p.m. (prevailing Eastern Time) on [the date that is seven days prior to the Sale Hearing as the deadline to object to the Sale Transaction regardless of the purchaser. ¹]
Reply Deadline	12:00 p.m. (prevailing Eastern Time) on [the date that is two business days prior to the Sale Hearing as the deadline to reply to the Sale Objections.]
Auction	10:00 a.m. (prevailing Eastern Time) on [the date that is than 7 days following the Bid Deadline as the date and time the Auction, if needed, will be held at the offices of Kirkland & Ellis LLP, located at 601 Lexington Avenue, New York, New York 10022, (or at any other location as the Debtors may hereafter designate on proper notice).]
Sale Hearing	9:00 a.m. (prevailing Eastern Time) on October 17, 2016.
Designated Contract Objection Deadline	4:00 p.m. (prevailing Eastern Time) on [the date that is seven days after service of the Notice of Assumption and Assignment.]

4. For the avoidance of doubt, the Debtors reserve the right, and are authorized to, modify the above timeline and the Bidding Procedures in accordance with the provisions of the Bidding Procedures, in consultation with the first lien agent, the second lien agent, the

¹ Purchaser-specific objections (including those related to adequate assurance of future performance under contracts to be assumed and assigned) may be raised at or any time before the Sale Objection Deadline.

Committee, and the applicable Stalking Horse Bidder, subject to the terms of each Stalking Horse Agreement.

II. The Bidding Procedures

5. The Bidding Procedures, substantially in the form attached hereto as **Schedule 1**, are approved in their entirety. The Debtors are authorized to take any and all actions reasonably necessary or appropriate to implement the Bidding Procedures, in accordance therewith and the applicable Stalking Horse Agreement relating each package of Assets. The failure to specifically include or reference a particular provision of the Bidding Procedures in this Bidding Procedures Order shall not diminish or impair the effectiveness of such provision.

6. The Debtors are authorized, in accordance with the Bidding Procedures, to require Qualified Bidders to submit written indications of interest specifying, among other things, the Assets proposed to be acquired, the amount and type of consideration to be offered, and any other material terms to be included in a bid by such party.

7. The process and requirements associated with submitting a Qualified Bid are approved as fair, reasonable, appropriate, and designed to maximize recoveries for the benefit of the Debtors' estates, creditors, and other parties in interest. As further described in the Bidding Procedures, the Bid Deadline shall be 5:00 p.m. (prevailing Eastern Time) on [the date that is 7 days following entry of this Order]. Any disputes or objections to the selection of Qualified Bids, Successful Bids, or Backup Bids (all as defined in the Bidding Procedures) shall be resolved by this Court at the Sale Hearing as set forth herein.

8. The Stalking Horse Bidders are deemed Qualified Bidders, and the Stalking Horse Bids as set forth in the applicable Stalking Horse Agreements are deemed Qualified Bids.

9. The Debtors are authorized to conduct the Auction in accordance with the Bidding Procedures. The Auction shall take place at 10:00 a.m. (prevailing Eastern Time) on

[the date that is seven days following the Bid Deadline] at the offices of counsel for the Debtors, Kirkland & Ellis LLP, located at 601 Lexington Avenue, New York, New York 10022 (or at any other location as the Debtors may hereafter designate on proper notice).

10. Secured Creditors shall have the right, subject in all respects to the Bankruptcy Code and other applicable law, to credit bid all or any portion of their allowed secured claims pursuant to Bankruptcy Code section 363(k) or other applicable law, and any such credit bid shall be deemed a Qualified Bid, and any such secured creditor a Qualified Bidder, for all purposes hereof; *provided, that*, a Secured Creditor shall have the right to credit bid all or a portion of the value of its secured claim to the extent such secured claim is not disputed; *provided, further*, that a Secured Creditor shall not be entitled to any Bid Protections; *provided, further*, that nothing in this Bidding Procedures Order or the Bidding Procedures shall impact any parties' rights with respect to either (a) challenges to the liens or claims of such Secured Creditor, including with respect to section 552 of the Bankruptcy Code or (b) assertions under section 506(c) of the Bankruptcy Code, or the effects that such challenges or assertions may have, if any, on the ability of such Secured Creditor to credit bid; *provided, further*, that credit bids (if any) by Secured Creditors will not impair or otherwise affect the Stalking Horse Bidders' entitlement to the Bid Protections.

11. Further, in the event of a competing Qualified Bid, the applicable Stalking Horse Bidder will be entitled, but not obligated, to submit overbids and will be entitled in any such overbids to credit bid the value of the applicable Break Fee and Expense Reimbursement Fee.

III. Stalking Horse Bidder, Bid Protections, and Stalking Horse Agreements

12. The Debtors are authorized to enter into the Stalking Horse Agreements, subject to higher or otherwise better offers at the Auction. The Bid Protections contained in each Stalking Horse Agreement are approved in their entirety, shall survive termination of the

applicable Stalking Horse Agreement and, if triggered, shall be an allowed administrative expense under Bankruptcy Code section 503(b) and 507(a)(2).

13. In accordance with the Bidding Procedures, at any time before the date that is 14 days prior to the Bidding Procedures Hearing, the Debtors may, in addition to the Stalking Horse Agreements already executed as of the filing of the Motion, enter into one or more additional Stalking Horse Agreements relating to other assets.

14. The Bid Protections included in each Stalking Horse Agreement executed prior to entry of this Order are approved on the terms set forth in the applicable Stalking Horse Agreement. The Debtors are authorized to pay any and all amounts owing to the Stalking Horse Bidders on account of each Stalking Horse Bidder's respective Bid Protections in accordance with the terms of the applicable Stalking Horse Agreement, without further action or order by the Court, as and when due and payable under the applicable Stalking Horse Agreement. The Bid Protections shall be allowed administrative expenses in these chapter 11 cases pursuant to section 503(b)(1) and 507(a)(2) of the Bankruptcy Code, in accordance with the terms of each Stalking Horse Agreement.

15. Any Stalking Horse Agreement (in addition to the Stalking Horse Agreements executed as of the filing of the Motion) may contain certain customary terms and conditions, including expense reimbursement and/or a break-up fee in favor of the Stalking Horse Bidder in amounts to be determined in accordance with the Bidding Procedures, and after consultation with the first lien agent, the second lien agent, and the Committee.

16. The Bid Protections payable under each Stalking Horse Agreement entered into prior to the approval of this Order are hereby approved and shall be an allowed administrative

expense in the Debtors' chapter 11 cases pursuant to sections 503(b)(1) and 507(a)(2), in accordance with the terms of each Stalking Horse Agreement.

IV. Notice Procedures

17. The form of Sale Notice substantially in the form attached to the Motion as **Exhibit D** (the "Sale Notice") is approved.

A. Notice of Sale, Auction, and Sale Hearing.

18. Within seven days after the entry of the Bidding Procedures Order or as soon as reasonably practicable thereafter (the "Mailing Date"), the Debtors shall serve the Sale Notice, and the applicable Stalking Horse Agreement, the Bidding Procedures Order, and the Bidding Procedures by first-class mail or, for those parties who have consented to receive notice by the Electronic Case Files ("ECF") system, by ECF, upon (a) all entities reasonably known to have expressed an interest in a transaction with respect to all or part of the Assets within the past two years; (b) all entities known to have or to have asserted any lien, claim, interest, or encumbrance in or upon any of the Assets; (c) counsel for the Committee; (d) counsel for the first lien agent; (e) counsel for the second lien agent; (f) any other Person required to receive notice pursuant to any Stalking Horse Agreement; and (g) the U.S. Trustee; *provided, however*, that to the extent email addresses are available, parties in the forgoing subsection (a) may be served by email to the extent they have consented to receive service by email in accordance with Local Rule 5005-4(c)(ii) except a party excluded from such service as set forth in Local Rule 5005-4(c)(iii).

19. Notice of the Sale Hearing will be served on all parties with an oil and gas interest, including but not limited to a royalty interest or working interest, which may provide for consent rights or preferential purchase rights with respect to certain of the Assets proposed to be sold pursuant to the Sale Transactions. Failure by such parties to timely object to the Sales is

hereby deemed to constitute consent to such sales and/or waiver of such party's exercise of any preferential purchase right or consent right with respect to the applicable Sale Transaction.

20. In addition, within seven days after the entry of the Bidding Procedures Order or as soon as reasonably practicable thereafter, the Debtors shall serve the Sale Notice by first-class mail, postage prepaid or, for those parties who have consented to receive notice by the ECF system, by ECF, upon (a) all federal, state, and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief granted herein; (b) the SEC; (c) the Internal Revenue Service; (d) all parties entitled to notice pursuant to Local Rule 2002-1(b); (e) all known creditors of the Debtors, including their contract counterparties; and (f) all registered holders of equity securities in the Debtors.

21. Service of the Sale Notice as described above shall be sufficient and proper notice of the Sale Transaction with respect to known interested parties.

B. Notice of Successful Bidder.

22. As soon as reasonably practicable after the conclusion of the Auction, the Debtors shall file on the docket, but not serve, a notice identifying any Successful Bidders (the "Post-Auction Notice"). The form of the Post-Auction Notice, substantially in the form attached to the Motion as **Exhibit E** is approved.

V. Assumption and Assignment Procedures

23. The Assumption and Assignment Procedures, as detailed in the Motion and incorporated herein by reference as if fully set forth in this Bidding Procedures Order, are approved and shall govern the assumption and assignment of all Designated Contracts proposed to be assumed by the Debtors pursuant to section 365(b) of the Bankruptcy Code and assigned to a Stalking Horse Bidder (or other Successful Bidder following the Auction, if any) pursuant to section 365(f) of the Bankruptcy Code and in accordance with the applicable Stalking Horse

Agreement. The Notice of Assumption and Assignment, substantially in the form attached to the Motion as **Exhibit B** is approved.

A. *Notice of Assumption and Assignment.*

24. On a date prior to the Sale Hearing, (any such date, the “Assumption and Assignment Service Date”) the Debtors shall file with the Court, and post on the following website <http://cases.gcginc.com/SamsonRestructuring/info.php> (the “Case Website”), a notice of assumption and assignment, substantially in the form attached hereto as **Exhibit B** (the “Notice of Assumption and Assignment”) and, included therewith, a list (the “Designated Contracts List”) that specifies: (a) each of the Debtors’ executory contracts and unexpired leases that may be assumed and assigned in connection with each Sale Transaction, including the name of the non-Debtor counterparty to such contract, whether or not the underlying agreement would be considered an executory contract or unexpired lease under applicable nonbankruptcy law (the “Designated Contracts”); and (b) the proposed amount necessary, if any, to cure all monetary defaults, if any, under each Designated Contract (the “Cure Costs”). The Debtors shall serve, via first class mail, a customized version of the Notice of Assumption and Assignment, without the Designated Contracts List, which will include: (a) instructions regarding how to view that list on the Case Website (the “DCL Instructions”); (b) information necessary and appropriate to provide notice of the relevant proposed assumption and assignment of Designated Contracts and rights thereunder; (c) Cure Costs, if any; and (d) the procedures for objecting thereto ((b)–(d) collectively, the “Necessary Notice Information”) on all Designated Contract Counterparties. The Debtors shall serve on the Rule 2002 Notice List, via first class mail, a modified version of the Notice of Assumption and Assignment that contains the DCL Instructions and Necessary Notice Information. Service as set forth herein shall be deemed proper, due, timely, good, and sufficient notice and no other or further notice is necessary.

25. A counterparty to a Designated Contract (hereinafter referred to as “Designated Contract Counterparty”) listed on the Notice of Assumption and Assignment may file an objection (a “Designated Contract Objection”) only if such objection is to the proposed assumption and assignment of the applicable Designated Contract or the proposed Cure Costs, if any. All Designated Contract Objections must (a) state, with specificity, the legal and factual basis for the objection as well as what Cure Costs are required, if any, (b) include appropriate documentation in support thereof, and (c) be filed and served on the Objection Recipients no later than 4:00 p.m. (prevailing Eastern Time) 14 days following the Assumption and Assignment Service Date (the “Assumption and Assignment Objection Deadline”).

26. If a Designated Contract Counterparty files a Designated Contract Objection in a manner that is consistent with the requirements set forth above, and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid or reserved with respect to such objection will be determined at the Sale Hearing, such later hearing date that the Debtors determine in their discretion, or such other date determined by this Court.

B. Supplemental Notice of Assumption and Assignment.

27. Although the Debtors intend to make a good-faith effort to identify all Designated Contracts that may be assumed and assigned in connection with a Sale Transaction, the Debtors may discover certain executory contracts or unexpired leases inadvertently omitted from the Designated Contracts list or Successful Bidders may identify other executory contracts or unexpired leases that they desire to assume and assign in connection with the Sale Transaction. Accordingly, the Debtors reserve the right, but only in accordance with the applicable Stalking Horse Agreement, or as otherwise agreed by the Debtors and the Successful Bidder, at any time after the Assumption and Assignment Service Date and before the closing of a Sale Transaction, to: (a) supplement the list of Designated Contracts on the Notice of Assumption and Assignment

with previously omitted Designated Contracts; (b) remove a Designated Contract from the list of executory contracts and unexpired leases ultimately selected as a Designated Contract that a Successful Bidder proposes be assumed and assigned to it in connection with a Sale Transaction or add to such list; and/or (c) modify the previously stated Cure Cost associated with any Designated Contract.

28. In the event that the Debtors exercise any of the rights reserved above, the Debtors will promptly serve a supplemental notice of assumption and assignment by electronic transmission, hand delivery, or overnight mail on the Designated Contract Counterparty, and its attorney, if known, to each impacted Designated Contract at the last known address available to the Debtors (a “Supplemental Notice of Assumption and Assignment”). Each Supplemental Notice of Assumption and Assignment will include the same information with respect to listed Designated Contracts as was included in the Notice of Assumption and Assignment.

29. Any Designated Contract Counterparty listed on a Supplemental Notice of Assumption and Assignment may file an objection (a “Supplemental Designated Contract Objection”) only if such objection is to the proposed assumption and assignment of the applicable Designated Contract or the proposed Cure Costs, if any. All Supplemental Designated Contract Objections must: (a) state, with specificity, the legal and factual basis thereof as well as what Cure Costs the objecting party believes are required, if any; (b) include appropriate documentation in support of the objection; and (c) be filed and served on the Objection Recipients no later than fourteen days from the date of service of such Supplemental Notice of Assumption and Assignment, which date will be set forth in the Supplemental Notice of Assumption and Assignment.

30. If a Designated Contract Counterparty files a Supplemental Designated Contract Objection in a manner that is consistent with the requirements set forth above, and the parties are unable to consensually resolve the dispute, the Debtors will seek an expedited hearing before the Court (a “Supplemental Designated Contract Hearing”) to determine the Cure Costs, if any, and approve the assumption of the relevant Designated Contracts. If there is no such objection, then the Debtors will obtain an order of this Court, including by filing a certification of no objection, (a “Supplemental Designated Contract Order”) fixing the Cure Costs and approving the assumption of any Designated Contract listed on a Supplemental Notice of Assumption and Assignment.

C. Additional Notice of Assumption and Assignment Procedures.

31. If the Designated Contract Counterparty does not file and serve a Designated Contract Objection or Supplemental Designated Contract Objection in a manner that is consistent with the requirements set forth above, and absent a subsequent order of the Court in connection with such objection establishing an alternative Cure Cost, (a) the Cure Costs, if any, set forth in the Notice of Assumption and Assignment (or Supplemental Notice of Assumption and Assignment) shall be controlling, notwithstanding anything to the contrary in any Designated Contract or any other document, and (b) the Designated Contract Counterparty will be deemed to have consented to the assumption and assignment of the Designated Contract and the Cure Costs, if any, and will be forever barred from asserting any other claims related to such Designated Contract against the Debtors or the applicable Successful Bidder, or the property of any of them.

32. Any objections to a Successful Bidder’s proposed form of adequate assurance of future performance must be raised at the Sale Hearing or Supplemental Designated Contract Hearing, as applicable, and will be resolved at the hearing at which it is raised or, in the Debtors’ discretion, adjourned to a later hearing.

33. The inclusion of a Designated Contract on the Notice of Assumption and Assignment (or Supplemental Notice of Assumption and Assignment) will not: (a) obligate the Debtors to assume any Designated Contract listed thereon or the Successful Bidders to take assignment of such Designated Contract; or (b) constitute any admission or agreement of the Debtors that such Designated Contract is an executory contract. Only those Designated Contracts that are included on a schedule of assumed and acquired contracts attached to each of the final asset purchase agreements with the Successful Bidders (including amendments or modifications to such schedules in accordance with such asset purchase agreement will be assumed and assigned to the Successful Bidders.

VI. Sale Hearing.

34. A Sale Hearing to (a) approve a sale of certain of the Assets to the Successful Bidders and (b) authorize the assumption and assignment of certain executory contracts and unexpired leases shall be held at 9:00 a.m. (prevailing Eastern Time) on [the day following the Auction], and may be adjourned or rescheduled without notice. At the Sale Hearing, the Debtors will seek Bankruptcy Court approval of the Successful Bids and the Backup Bids. The Sale Hearing shall be an evidentiary hearing on matters relating to the Sale Transactions and there will be no further bidding at the Sale Hearing. In the event that the Successful Bidder cannot or refuses to consummate a Sale Transaction, the Debtors may, in accordance with the Bidding Procedures, and after consultation with the first lien agent, the second lien agent, and the Committee, designate the Backup Bid to be the new Successful Bid and the Backup Bidder to be the new Successful Bidder, and the Debtors shall be authorized, but not required, to consummate the applicable transaction with the Backup Bidder without further order of the Bankruptcy Court.

35. Any and all objections, if any, to any Sale Transaction (a "Sale Objection"), must be filed by 4:00 p.m. (prevailing Eastern Time) on [the date that is seven days prior to the Sale

Hearing] (the “Sale Objection Deadline”) and served on (a) counsel for the Debtors, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 Attn: Brad Weiland and Alexandra Schwarzman; (b) co-counsel for the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, DE 19801, Attn: Domenic E. Pacitti; (c) counsel for the Committee, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Glenn M. Kurtz; J. Christopher Shore; Michele J. Meises; Thomas MacWright; (d) co-counsel for the Committee, Farnan LLP, 919 North Market Street, Suite 12th Floor, Wilmington, DE 19801, Attn: Joseph J. Farnan, Jr.; Joseph J. Farnan, III; Michael J. Farnan; (e) counsel for the first lien agent, Mayer Brown LLP, 71 S. Wacker Drive, Chicago, Illinois 60606, Attn: Sean T. Scott, and 700 Louisiana Street, Suite 3400, Houston, Texas 77002, Attn: Charles S. Kelley; (f) co-counsel for the first lien agent, Fox Rothschild LLP, 919 North Market Street, Suite 300, Wilmington, DE 19801, Attn: Jeffrey M. Schlerf and L. John Bird; (g) counsel for the second lien agent, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Ana M. Alfonso.; (h) co-counsel for the second lien agent, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: John H. Knight and Joseph C. Barsalona II; (i) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, DE 19801, Attn. David Buchbinder; (j) if applicable, counsel to any Stalking Horse Bidders including (i) as to San Juan, Barnet B. Skelton, Jr., P.C., 712 Main Street, Suite 1610, Houston, TX 77002, Attn: Barnet B. Skelton, Jr., and Maynes, Bradford, Shipp & Sheftel, 1331 17th Street, Suite 410, Denver, CO 80202, Attn: Thomas H. Shipp and Sherri D. Way, (ii) as to Williston, Vinson & Elkins LLP, 666 Fifth Avenue, 26th Floor, New York, NY 10103, Attn: Steve M. Abramowitz, and Vinson & Elkins LLP, 2001 Ross Avenue, Suite 3700, Houston, TX 75201, Attn: Jeremy Pettit, and (iii) as to West Anadarko, Thompson & Knight

LLP, One Arts Plaza, 1722 Routh Street, Suite 1500, Dallas, TX 75201, Attn: Larry Hall and Tye Hancock; (k) all parties that have requested notice in these chapter 11 cases (collectively (a)–(k), the “Objection Recipients”); and (l) counsel to any Successful Bidders, if known on the Sale Objection Deadline. Any party failing to timely file a Sale Objection will be forever barred from objecting and will be deemed to have consented to any Sale Transaction, including the transfer of the Debtors’ right, title and interest in, to, and under the Assets free and clear of any and all liens, claims, interests, and encumbrances in accordance with a definitive agreement for any Sale Transaction.

36. All replies to any Sale Objection must be filed by 4:00 p.m. (prevailing Eastern Time) on [the date that is two business days prior to the Sale Hearing] (the “Reply Deadline”).

VII. Miscellaneous.

37. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Bidding Procedures Order in accordance with the Motion.

38. This Bidding Procedures Order shall be binding on and inure to the benefit of the Debtors, including any chapter 7 or chapter 11 trustee or other fiduciary appointed for the estates of the Debtors.

39. This Bidding Procedures Order shall constitute the findings of fact and conclusions of law and shall take immediate effect upon execution hereof.

40. To the extent this Bidding Procedures Order is inconsistent with any prior order or pleading with respect to the Motion in these cases, the terms of this Bidding Procedures Order shall govern.

41. To the extent any of the deadlines set forth in this Bidding Procedures Order do not comply with the Local Rules, such Local Rules are waived and the terms of this Bidding Procedures Order shall govern.

42. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 6006(d), 7062, 9014, or otherwise, this Court, for good cause shown, orders that the terms and conditions of this Bidding Procedures Order shall be immediately effective and enforceable upon its entry.

43. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Bidding Procedures Order, including, but not limited to, any matter, claim, or dispute arising from or relating to the Bidding Procedures, any Stalking Horse Agreement, and the implementation of this Bidding Procedures Order.

Dated: _____, 2016
Wilmington, Delaware

HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

Bidding Procedures

Andrew Kidd.

- B. **Debtors' Counsel.** Counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn.: Brad Weiland (brad.weiland@kirkland.com), and Alexandra Schwarzman (alexandra.schwarzman@kirkland.com); and Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti (dpacitti@klehr.com).
- C. **Debtors' Financial Advisors.** Financial advisors to the Debtors, Alvarez & Marsal North America, LLC, 600 Madison Avenue, 8th Floor, New York, New York 10022 ("A&M") and PJT Partners, Inc., 280 Park Avenue, New York, New York 10017 ("PJT").
- E. **Committee Counsel.** Counsel to the official committee of unsecured creditors, White & Case LLP, 1155 Avenue of the Americas, New York, New York 10036, Attn.: Michele Meises (michele.meises@whitecase.com) and Thomas MacWright (thomas.macwright@whitecase.com).
- F. **Committee Financial Advisors.** Financial advisors to the Committee, Moelis & Company LLC, 399 Park Avenue, 5th Floor, New York, NY 10022, Attn: Kevin Voelte (kevin.voelte@moelis.com).

2. Potential Bidders

To participate in the bidding process or otherwise be considered for any purpose under these Bidding Procedures, a person or entity interested in consummating a Sale Transaction (a "Potential Bidder") must deliver or have previously delivered, if determined to be necessary by the Debtors in their sole discretion:

- (i) an executed confidentiality agreement on terms acceptable to the Debtors (a "Confidentiality Agreement"), to the extent not already executed; and
- (ii) the most current audited and latest unaudited financial statements (the "Financials") of the Potential Bidder (or, if the Potential Bidder is an entity formed for the purpose of acquiring the Assets (x) Financials of the equity holder(s) of the Potential Bidder or such other form of financial disclosure as is acceptable to the Debtors and their advisors, and (y) a written commitment acceptable to the Debtors and their advisors of the equity holder(s) of the Potential Bidder to be responsible for the Potential Bidder's obligations in connection with the applicable Sale Transaction).

3. Qualified Bidders

- (a) A "Qualified Bidder" is a Potential Bidder whose Financials, or the Financials of its equity holder(s), as applicable, demonstrate the financial capability to consummate the Sale, whose Bid is a Qualified Bid, and that the Debtors, after consulting with the Committee, determine should be considered a Qualified Bidder. Within two business days after the Bid Deadline, the Debtors' advisors

will notify each Potential Bidder in writing whether such Potential Bidder is a Qualified Bidder with respect to a particular asset package and shall provide to the Stalking Horse Bidder for such asset package with a copy of each Qualified Bid submitted by a Qualified Bidder relating to such asset package. The Stalking Horse Bidder, if any, shall be deemed a Qualified Bidder at all times with respect to the asset package to which its Stalking Horse Bid relates.

- (b) If any Potential Bidder is determined by the Debtors not to be a Qualified Bidder, the Debtors will refund such Qualified Bidder's Deposit and all accumulated interest thereon on or within three business days after the Bid Deadline.
- (c) Between the date that the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Except as otherwise set forth in the Stalking Horse Agreement, without the written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their consideration contemplated by, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; *provided that* any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

4. Due Diligence.

Only Qualified Bidders shall be eligible to receive due diligence information and access to the Debtors' electronic data room and to additional non-public information regarding the Debtors. **No Qualified Bidder will be permitted to conduct any due diligence without entering into a Confidentiality Agreement.** The Debtors will provide to each Qualified Bidder reasonable due diligence information, as requested by such Qualified Bidder in writing, as soon as reasonably practicable after such request, and the Debtors shall post all written due diligence provided to any Qualified Bidder to the Debtors' electronic data room. The due diligence period for a Stalking Horse Bidder will end prior to execution of the applicable Stalking Horse Agreement, unless otherwise agreed pursuant to the applicable Stalking Horse Agreement. For all Qualified Bidders other than the applicable Stalking Horse Bidder, the due diligence period will end on the Bid Deadline and subsequent to the Bid Deadline the Debtors shall have no obligation to furnish any due diligence information.

The Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the Sale to any person except to a Qualified Bidder or to such Qualified Bidder's duly authorized representatives to the extent provided in the applicable Confidentiality Agreement. The Debtors and their advisors shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; *provided that* the Debtors may decline to provide such information to Qualified Bidders who, at such time and in the Debtors' reasonable business judgment after consultation with the Committee, the first lien agent, and the second lien agent, have not established, or who have raised doubt, that such Qualified Bidder intends in good faith to, or has the capacity to, consummate the applicable Sale Transaction.

The Debtors also reserve the right to withhold any diligence materials that the Debtors determine are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder who the Debtors determine is a competitor of the Debtors or is affiliated with any competitor of the Debtors. Neither the Debtors nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be a Qualified Bidder.

All due diligence requests must be directed to PJT Partners, LP, 280 Park Avenue, New York, New York 10017, Attn: Zachary Rigoni; Phone number: +1.212.364.2420; Email: Rigoni@PJTPartners.com.

(a) Communications with Qualified Bidders.

Notwithstanding anything to the contrary in these Bidding Procedures, all substantive direct communications between and amongst Qualified Bidders shall involve the Debtors and the Debtors' advisors, to the extent reasonably practicable.

(b) Due Diligence from Qualified Bidders.

Each bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtors or their advisors regarding the ability of the Qualified Bidder to consummate the applicable Sale Transaction. Failure by a Qualified Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtors to determine, after consultation with the first lien agent, the second lien agent, and the Committee, that such bidder is no longer a Qualified Bidder or that a bid made by such Qualified Bidder is not a Bid.

The Debtors and each of their respective advisors and representatives shall be obligated to maintain in confidence any confidential information in accordance with any applicable confidentiality agreement, except as otherwise set forth in these Bidding Procedures. Each recipient of confidential information agrees to use, and to instruct their advisors and representatives to use, such confidential information only in connection with the evaluation of Bids during the bidding process or otherwise in connection with the chapter 11 cases or in accordance with the terms of any applicable confidentiality agreement.

Notwithstanding the foregoing and the provisions contained in any applicable confidentiality agreement, the Debtors and the Debtors' advisors may disclose confidential information: (i) with the prior written consent of such bidder and the Debtors; (ii) to the applicable bidder; and (iii) as otherwise required or allowed by any applicable confidentiality agreement with respect to a particular bidder or other agreement, law, court or other governmental order, or regulation, including, as appropriate, to regulatory agencies.

5. Bid Requirements.

A proposal, solicitation, or offer (each, a "Bid") by a Qualified Bidder that is submitted in writing and satisfies each of the following requirements (the "Bid Requirements") as determined by the Debtors, in their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, shall constitute a "Qualified Bid". Any Stalking Horse Agreement executed by the Debtors and the transactions contemplated thereby will be deemed a Qualified Bid for all purposes.

- (a) **Assets.** Each Bid must clearly state which assets and liabilities of the Debtors that the Qualified Bidders are agreeing to purchase and assume.
- (b) **Purchase Price.** Each Bid must clearly set forth the purchase price to be paid for the applicable asset package, including and identifying separately any cash and non-cash components, which non-cash components shall be limited only to credit-bids (the “Purchase Price”).
- (c) **Minimum Bid.** The aggregate consideration proposed by each Bid must equal or exceed the sum of:
- \$139,052,585.50 in cash for West Anadarko;
 - \$119,765,000.00 in cash for San Juan;
 - \$77,750,000.00 in cash for Williston; and
 - an amount to be agreed upon for any additional asset package for which the Debtors execute Stalking Horse Agreements no later than 14 days prior to the Bidding Procedures Hearing (with respect to each asset package, each, a “Minimum Bid”).
- (d) **Deposit.** Each Bid, other than the Bid of a Stalking Horse Bidder (a “Stalking Horse Bid”), must be accompanied by a cash deposit in the amount equal to 10 percent of the aggregate cash and non-cash Purchase Price of the Bid, to be held in an interest-bearing escrow account to be identified and established by the Debtors (the “Deposit”).
- (e) **Assumption of Obligations.** Each Bid must expressly assume all of the obligations on terms no less favorable to the Debtors than the applicable Stalking Horse Agreement, as applicable, as determined in the Debtors’ business judgment, and after consultation with the Committee, the first lien agent, the second lien agent, and the Stalking Horse Bidder.
- (f) **The Same or Better Terms.** Each Bid must be on terms that are not more burdensome or conditional than the terms of the applicable Stalking Horse Agreement. Each Bid must include duly executed, non-contingent transaction documents necessary to effectuate the transactions contemplated in the Bid and shall include a schedule of assumed contracts to the extent applicable to the Bid, and a copy of the applicable Stalking Horse Agreement clearly marked to show all changes requested by the Qualified Bidder, including those related to the respective Purchase Price and assets to be acquired by such Qualified Bidder, as well as all other material documents integral to such bid (the “Qualified Bid Documents”).
- (g) **Committed Financing.** To the extent that a Bid is not accompanied by evidence of the Qualified Bidder’s capacity to consummate the sale set forth in its Bid with cash on hand, each Bid must include unconditional committed financing documented to the satisfaction of the Debtors, and after consultation with the

Committee, the first lien agent, and the second lien agent, that demonstrates that the Qualified Bidder has: (i) received sufficient debt and/or equity funding commitments to satisfy the Qualified Bidder's Purchase Price and other obligations under its Bid; and (ii) adequate working capital financing or resources to finance going concern operations for the Assets and the proposed transactions. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtors.

- (h) **Contingencies; No Financing or Diligence Outs.** A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence, but may be subject to the accuracy at the closing of specified representations and warranties or the satisfaction at the closing of specified conditions, which shall not be more burdensome, in the Debtors' business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, than those set forth in the applicable Stalking Horse Agreement.
- (i) **Identity.** Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Qualified Bidder if such Qualified Bidder is an entity formed for the purpose of consummating the proposed transaction contemplated by such Bid), and the complete terms of any such participation. Under no circumstances shall any undisclosed principals, equity holders, or financial backers be associated with any Bid. Each Bid must also include contact information for the specific persons and counsel whom PJT and Kirkland & Ellis LLP should contact regarding such Bid.
- (j) **Demonstrated Financial Capacity.** A Qualified Bidder must have, in the Debtors' business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, the necessary financial capacity to consummate the proposed transactions required by its Bid and provide adequate assurance of future performance under all contracts proposed to be assumed by such Bid.
- (k) **Time Frame for Closing.** A Bid by a Qualified Bidder must be reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid, within a time frame acceptable to the Debtors, after consultation with the Committee, the first lien agent, and the second lien agent.
- (l) **Binding and Irrevocable.** A Qualified Bidder's Bid for a particular asset package shall be irrevocable unless and until the Debtors accept a higher Bid for such asset package and such Qualified Bidder is not selected as the Backup Bidder for such asset package.

- (m) **Expenses; Disclaimer of Fees.** Each Bid (other than a Stalking Horse Bid) must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation. For the avoidance of doubt, no Qualified Bidder (other than the Stalking Horse Bidder) will be permitted to request, nor be granted by the Debtors, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.
- (n) **Authorization.** Each Bid must contain evidence that the Qualified Bidder has obtained authorization or approval from its board of directors (or a comparable governing body acceptable to the Debtors, after consultation with the Committee, the first lien agent, and the second lien agent) with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid.
- (o) **As-Is, Where-Is.** Each Bid must include a written acknowledgement and representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its Bid; and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Bidder's Bid.
- (p) **Adherence to Bid Procedures.** By submitting its Bid, each Qualified Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.
- (q) **Regulatory Approvals and Covenants.** A Bid must set forth each regulatory and third-party approval required for the Qualified Bidder to consummate the applicable Sale Transaction, if any, and the time period within which the Qualified Bidder expects to receive such regulatory and third-party approvals (and in the case that receipt of any such regulatory or third-party approval is expected to take more than thirty (30) days following execution and delivery of the asset purchase agreement, those actions the Qualified Bidder will take to ensure receipt of such approvals as promptly as possible).
- (r) **Consent to Jurisdiction.** The Qualified Bidder must submit to the jurisdiction of the Bankruptcy Court and waive any right to a jury trial in connection with any disputes relating to Debtors' qualification of bids, the Auction, the construction and enforcement of these Bidding Procedures, the Sale Transaction documents, and the Closing, as applicable.
- (s) **Bid Deadline.** Each Bid must be transmitted via email (in .pdf or similar format) so as to be **actually received** on or before 5:00 p.m. (prevailing Eastern Time) on

[the date that is 7 days following entry of the Bidding Procedures Order] (the “Bid Deadline”) by:

- (i) The Debtors, Samson, Two West Second Street, Tulsa, Oklahoma 74103
Attn: Andrew Kidd (akidd@samson.com);
- (ii) Counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street,
Chicago, Illinois 60654, Attn.: Brad Weiland
(brad.weiland@kirkland.com), and Alexandra Schwarzman
(alexandra.schwarzman@kirkland.com);
- (iii) Co-counsel to the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 N.
Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic
E. Pacitti (dpacitti@klehr.com);
- (iv) Financial Advisors to the Debtors, PJT Partners, Inc., 280 Park Avenue,
New York, New York 10017, Attn.: Zachary Rigoni
(rigoni@pjtpartners.com);
- (v) Counsel to the applicable Stalking Horse Bidder, if any;
- (vi) Counsel to the First Lien Agent, Mayer Brown LLP, 71 S. Wacker Drive,
Chicago, Illinois 60606, Attn: Sean T. Scott (stscott@mayerbrown.com),
and 700 Louisiana Street, Suite 3400, Houston, Texas 77002, Attn:
Charles S. Kelley (ckelley@mayerbrown.com);
- (vii) Co-counsel to the First Lien Agent, Fox Rothschild LLP, 919 North
Market Street, Suite 300, Wilmington, DE 19801, Attn: Jeffrey M.
Schlerf (jschlerf@foxrothschild.com) and L. John Bird
(jbird@foxrothschild.com);
- (viii) Counsel to the Second Lien Agent, Willkie Farr & Gallagher LLP, 787
Seventh Avenue, New York, NY 10019, Attn: Ana M. Alfonso
(aalfonso@willkie.com);
- (ix) Co-counsel to the Second Lien Agent, Richards, Layton & Finger, P.A.,
One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn:
John H. Knight (knight@rlf.com) and Joseph C. Barsalona II
(barsalona@rlf.com);
- (x) Counsel to the Committee, White & Case LLP, 1155 Avenue of the
Americas, New York, NY 10036, Attn: Glenn M. Kurtz
(gkurtz@whitecase.com); J. Christopher Shore (cshore@whitecase.com);
Michele J. Meises (mmeises@whitecase.com); Thomas MacWright
(tmacwright@whitecase.com); and
- (xi) Co-counsel to the Committee, Farnan LLP, 919 North Market Street,
Suite 12th Floor, Wilmington, DE 19801, Attn: Joseph J. Farnan, Jr.
(farnan@farnanlaw.com); Joseph J. Farnan, III

(jjfarnan@farnanlaw.com);
(mfarnan@farnanlaw.com).

Michael J. Farnan

6. Right to Credit Bid.

At the Auction, any Qualified Bidder, including a Stalking Horse Bidder, who has a valid and perfected lien on any assets of the Debtors' estates (a "Secured Creditor") shall have the right to credit bid all or a portion of the value of such Secured Creditor's claims within the meaning of section 363(k) of the Bankruptcy Code; *provided that* a Secured Creditor shall have the right to credit bid all or a portion of the value of its secured claim to the extent such secured claim is not disputed; *provided, further*, that a Secured Creditor shall not be entitled to any Bid Protections (as defined in Section 13 hereof); *provided, further*, that nothing herein shall impact any parties' rights with respect to either (a) challenges to the liens or claims of such Secured Creditor, including with respect to section 552 of the Bankruptcy Code or (b) assertions under section 506(c) of the Bankruptcy Code, or the effects that such challenges or assertions may have, if any, on the ability of such Secured Creditor to credit bid. Notwithstanding anything herein to the contrary, each Stalking Horse Bidder shall: (a) have the right (including as part of any applicable Overbid) to credit bid all or a portion of the value of the secured portion of its claims for the assets pursuant to section 363(k) of the Bankruptcy Code, including any secured claims on account of its adequate protection liens; and (b) have the right to credit bid the value of the Breakup Fee; *provided*, that a Secured Creditor shall have the right to credit bid all or a portion of the value of its secured claim to the extent such secured claim is not disputed; *provided, further*, that a Secured Creditor shall not be entitled to any Bid Protections; *provided, further*, that nothing herein shall impact any parties' rights with respect to either (a) challenges to the liens or claims of the Stalking Horse Bidder or (b) assertions under section 506(c) of the Bankruptcy Code or the effects that such challenges or assertions have, if any, on the ability of the Stalking Horse Bidder to credit bid.

Credit bids, if any, by Secured Creditors will not impair or otherwise affect the Stalking Horse Bidders' entitlement to the Bid Protections granted under the Bidding Procedures Order.

7. Auction.

If the Debtors receive a Qualified Bid for a given asset package, other than the applicable Stalking Horse Bid for such asset package, if any, the Debtors will conduct the Auction to determine the Successful Bidders with respect to such asset package. If the Debtors do not receive a Qualified Bid for a given asset package (other than the Stalking Horse Bid for such asset package, if any), the Debtors will not conduct the Auction as to such asset package and shall designate the Stalking Horse Bidder's Bid for such asset package, if any, as the Successful Bid for such asset package.

No later than 2 calendar days after the Bid Deadline, at 5:00 p.m. (prevailing Eastern Time), the Debtors will notify each Qualified Bidder of the highest or otherwise best Qualified Bid for the asset package for which such Qualified Bidder submitted a Bid, as determined in the Debtors' reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent (the "Baseline Bid"), and provide copies of the applicable Qualified Bid Documents supporting the applicable Baseline Bid to each Qualified Bidders. The determination of which Qualified Bid constitutes the Baseline Bid for each asset package and

which Qualified Bid constitutes the Successful Bid for each asset package shall take into account any factors the Debtors, after consultation with the Committee, the first lien agent, the second lien agent, and the applicable Stalking Horse Bidder reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the applicable Stalking Horse Agreement, if any, requested by the Qualified Bidder, including the type and amount of Assets sought and obligations to be assumed in the Qualified Bid; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the applicable Sale Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the transaction contemplated by the Qualified Bid Documents; and (e) the tax consequences of such Qualified Bid (collectively, the "Bid Assessment Criteria").

The Auction shall take place at 10:00 a.m. (prevailing Eastern Time) on [the date that is seven days following the Bid Deadline], at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022-4611, or such later date and time as selected by the Debtors. The Auction shall be conducted in a timely fashion according to the following procedures:

(a) The Debtors Shall Conduct the Auction.

The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid for each asset package. All incremental Bids made thereafter for a given asset package shall be Overbids (defined below) for such asset package and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders who submitted Bids on such asset package. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all applicable Overbids, and the Successful Bid.

Only Qualified Bidders and their legal and financial advisors, and the Committee, the first lien agent, and the second lien agent, and each such parties' respective legal and financial advisors shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Only Qualified Bidders shall be entitled to bid at the Auction.

(b) Terms of Overbids.

"Overbid" means any bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid. Each applicable Overbid must comply with the following conditions:

- (i) **Minimum Overbid Increment.** The initial Overbid for a given asset package, if any, shall provide for total consideration to the Debtors with a value that exceeds the value of the consideration under the Baseline Bid for such asset package by an incremental amount that is not less than the sum of (x):

- \$900,000.00 for West Anadarko;
- \$800,000.00 for San Juan;

- \$500,000.00 for Williston; and
- an amount to be agreed upon for any additional asset package for which the Debtors execute Stalking Horse Agreements no later than 14 days prior to the Bidding Procedures Hearing (each, a “Minimum Overbid Increment”)

plus (y) in the event that the Debtors have entered into a Stalking Horse Agreement with respect to the Assets to which the applicable Overbid relates, the aggregate amount of any Bid Protections under such Stalking Horse Agreement, and each successive applicable Overbid for a given asset package shall exceed the then-existing Overbid for such asset package by an incremental amount that is not less than the Minimum Overbid Increment. The Debtors reserve the right, after consultation with the Committee, the first lien agent, and the second lien agent, to announce reductions or increases in the Minimum Overbid Increment for a given asset package at any time during the Auction, other than the initial Minimum Overbid Increment. Additional consideration in excess of the amount set forth in the respective Baseline Bid may include: (a) cash and/or noncash consideration; *provided, however*, that the value for such noncash consideration shall be determined by the Debtors in their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent; and (b) in the case of a Bid by a Secured Creditor, a credit bid of up to the full amount of the such secured creditors’ allowed secured claim; *provided, however*, that nothing herein shall impact any parties’ rights with respect to either (a) challenges to the liens or claims of such Secured Creditor or (b) assertions under section 506(c) of the Bankruptcy Code or the effects that such challenges or assertions have, if any, on the ability of such Secured Creditor to credit bid.

- (ii) **Conclusion of Each Overbid Round.** Upon the solicitation of each round of applicable Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, extend from time to time, the “Overbid Round Deadline”) by which time any Overbids must be submitted to the Debtors.
- (iii) **Overbid Alterations.** An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable to the Debtors’ estates than any prior Bid or Overbid, as determined in the Debtors’ reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, but shall otherwise comply with the terms of these Bidding Procedures.
- (iv) **Announcing Highest Bid.** Subsequent to each Overbid Round Deadline, the Debtors, after consultation with the Committee, the first lien agent, and

the second lien agent, shall announce for each asset package whether the Debtors have identified in the initial applicable Overbid round, an Overbid as being higher or otherwise better than the Initial Minimum Overbid for such asset package, or in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid for a given asset package (for each asset package, the “Prevailing Highest Bid”). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid as well as the value attributable by the Debtors to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria.

(c) Consideration of Overbids.

The Debtors reserve the right, in their reasonable business judgment, and after consultation with the Committee, the first lien agent, the second lien agent, and the Stalking Horse Bidder, if any, to adjourn the Auction one or more times to, among other things: (i) facilitate discussions between the Debtors and Qualified Bidders; (ii) allow Qualified Bidders to consider how they wish to proceed; and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing Overbid amount.

(d) Closing the Auction.

- (i) The Auction shall continue until there is only one Bid for each asset package that the Debtors determine, in their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent, to be the highest or otherwise best Bid for such asset package. Such Bid shall be declared the “Successful Bid,” for such asset package and such Qualified Bidder, the “Successful Bidder” for such asset package at which point the Auction will be closed as to that asset package. The Auction shall not close with respect to any asset package unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Successful Bid is conditioned upon approval by the Court of the Successful Bid.
- (ii) For the avoidance of doubt, but without limiting the Bid Protections or the provisions of any Stalking Horse Agreement, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law.
- (iii) The Debtors shall not consider any Bids or Overbids submitted after the conclusion of the Auction, and any such Bids or Overbids shall be deemed untimely and shall under no circumstances constitute a Qualified Bid.

- (iv) As soon as reasonably practicable after closing the Auction, the Debtors shall cause the Qualified Bid Documents for each Successful Bid and Backup Bid to be filed with the Court.

(e) No Collusion; Good-Faith *Bona Fide* Offer.

Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the bidding; and (ii) its Bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bidder.

8. Backup Bidder.

- (a) Notwithstanding anything in these Bidding Procedures to the contrary, but subject to the terms of any Stalking Horse Agreement, if an Auction is conducted for a given asset package, the Qualified Bidder with the next-highest or otherwise second-best Bid at the Auction for such asset package, as determined by the Debtors in the exercise of their reasonable business judgment, and after consultation with the Committee, the first lien agent, and the second lien agent (the “Backup Bid”), shall be required to serve as a backup bidder (the “Backup Bidder”) for such asset package, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.
- (b) The identity of the Backup Bidder and the amount and material terms of the backup Bid shall be announced by the Debtors at the conclusion of the Auction at the same time the Debtors announce the identity of the Successful Bidder. The Backup Bidder shall be required to keep its Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable, subject to the terms of any Stalking Horse Agreement, until the closing of the transaction with the applicable Successful Bidder; provided that nothing shall diminish the rights of the Stalking Horse Bidder under the Stalking Horse Agreement. The Backup Bidder’s Deposit shall be held in escrow until the closing of the transaction with the applicable Successful Bidder or as may otherwise be provided in any Stalking Horse Agreement.
- (c) If a Successful Bidder fails to consummate the approved transactions contemplated by its Successful Bid, the Debtors may, after consultation with the Committee, the first lien agent, and the second lien agent, select the applicable Backup Bidder as the Successful Bidder, and such Backup Bidder shall be deemed a Successful Bidder for all purposes, subject to the terms of any Stalking Horse Agreement. The Debtors will be authorized, but not required, to consummate all transactions contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Successful Bidder’s Deposit shall be forfeited to the Debtors, and the Debtors specifically reserve the right to seek all available remedies against the defaulting Successful Bidder, including with respect to specific performance.

9. Highest or Otherwise Best Bid.

When determining the highest or otherwise best Bid for a given asset package, as compared to other Bids for such asset package, the Debtors may consider the following factors in addition to any other factors that the Debtors, and after consultation with the Committee, the first lien agent, and the second lien agent, deem appropriate: (a) the number, type, and nature of any changes to the applicable Stalking Horse Agreement requested by the Qualified Bidder, including the type and amount of Assets sought and obligations to be assumed in the Bid; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the transaction contemplated by the Qualified Bid Documents; and (e) the tax consequences of such Bid; *provided*, in each case, that the fact the Stalking Horse Bid, if any, is comprised of a credit bid shall not be a factor considered by the Debtors in their determination of the highest or otherwise best Bid, subject to the conditions set forth in Section 6 herein.

10. Reservation of Rights.

Without prejudice to the rights of the Stalking Horse Bidders under the terms of their respective Stalking Horse Agreements, the Debtors reserve their rights to modify these Bidding Procedures in their reasonable business judgment, and after consultation with the Committee, the first lien agent, the second lien agent, and the applicable Stalking Horse Bidder, in any manner that will best promote the goals of the bidding process, or impose, at or prior to the Auction, additional customary terms and conditions on the sale of the Assets, including, without limitation: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all bids or Bids.

11. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures, and/or the Qualified Bid Documents, as applicable.

12. Sale Hearing.

A hearing to consider approval of each Sale of the Assets to the Successful Bidders (or to approve the Stalking Horse Agreement, as applicable, if no Auction is held) (the "Sale Hearing") is currently scheduled to take place on or before at 10:00 a.m. (prevailing Eastern Time) on [the day immediately following the Auction], before the Honorable Christopher S. Sontchi, at the Court, 824 North Market Street, 5th Floor, Courtroom No. 6, Wilmington, Delaware 19801.

The Sale Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party (including the Stalking Horse Bidder).

At the Sale Hearing, the Debtors shall present the Successful Bids to the Court for approval.

13. Stalking Horse Rights.

To provide an incentive and to compensate the Stalking Horse Bidders for performing the substantial due diligence and incurring the expenses necessary and entering into a Stalking Horse Agreement with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Debtors have, after consultation with the Committee, the first lien agent, and the second lien agent, agreed to pay the Stalking Horse Bidder, under the conditions and in the amount set forth in the Bidding Procedures Order, (a) a break-up fee in the amount of:

- \$4,587,285.50 for West Anadarko;
- \$3,465,000.00 for San Juan;
- \$2,250,000.00 for Williston; and
- an amount to be agreed upon for any additional asset package for which the Debtors execute Stalking Horse Agreements no later than 14 days prior to the Bidding Procedures Hearing;

(each, a “Breakup Fee”), payable pursuant to the terms of each Stalking Horse Agreement in the event that a Stalking Horse Agreement is terminated due to the Debtors entering into an alternative transaction or in other circumstances set forth in the applicable Stalking Horse Agreement, and (b) a reasonable expense reimbursement equal to

- up to \$2,500,000.00 for West Anadarko;
- up to \$1,150,000.00 for San Juan, which amount is included in the applicable Breakup Fee;
- up to \$750,000.00 for Williston, which amount is included in the applicable Breakup Fee; and
- an amount to be agreed upon for any additional asset package for which the Debtors execute Stalking Horse Agreements no later than 14 days prior to the Bidding Procedures Hearing;

(each, a “Expense Reimbursement Fee” and together with each applicable Breakup Fee, the “Bid Protections”), payable pursuant to the terms of each Stalking Horse Agreement in the event that a Stalking Horse Agreement is terminated due to the Debtors entering into an alternative transaction or in other circumstances set forth in the applicable Stalking Horse Agreement. The Bid Protections will be an allowed administrative expense priority claim in accordance with the terms of each Stalking Horse Agreement.

A Stalking Horse Bidder shall have standing to appear and be heard on all issues related to the Auction, the Sale, and related matters, including the right to object to the sale of the Assets or any portion thereof (including the conduct of the Auction and interpretation of these Bidding Procedures).

14. No Modification of Bidding Procedures.

Except as provided by Section 10 hereof, these Bidding Procedures may not be modified except with the Debtors' express written consent, and after consultation with the Committee, the first lien agent, and the second lien agent.

15. Return of Deposit.

The Deposit of the Successful Bidder shall be applied to the respective Purchase Price of such transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more interest-bearing escrow accounts on terms acceptable to the Debtors in their sole discretion and shall be returned (other than with respect to the Successful Bidder, and the Backup Bidder) on or within three business days after the Auction. Upon the return of the Deposits, their respective owners shall receive any and all interest that will have accrued thereon.

If a Successful Bidder fails to consummate a proposed transaction because of a breach by such Successful Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Successful Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors, and the Debtors shall be free to consummate the proposed transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

16. Fiduciary Out.

Nothing in these Bidding Procedures shall require the board of directors, board of managers, or such similar governing body of a Debtors to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, to the extent such board of directors, board of managers, or such similar governing body determines, or based on the advice of counsel, that taking such action, or refraining from taking such action, as applicable, is required to comply with applicable law or its fiduciary obligations under applicable law; provided that in the event of any such action, all rights and remedies of any Stalking Horse Bidder in these Bidding Procedures or any Stalking Horse Agreement shall be preserved.

Dated: _____, 2016
Wilmington, Delaware

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Exhibit B

Notice of Assumption and Assignment

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

In re:)	
	)	Chapter 11
SAMSON RESOURCES CORPORATION, <i>et al.</i> , ¹	)	Case No. 15-11934 (CSS)
Debtors.	)	(Jointly Administered)
)	

**NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH THE SALE OF
CERTAIN OF THE DEBTORS’ ASSETS AND THE PROPOSED CURE COSTS**

YOU ARE RECEIVING THIS NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH THE SALE OF THE DEBTORS’ ASSETS AND THE PROPOSED CURE COSTS (THE “NOTICE OF ASSUMPTION AND ASSIGNMENT”) BECAUSE YOU MAY BE A COUNTERPARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH SAMSON RESOURCES CORPORATION OR ONE OR MORE OF ITS AFFILIATED DEBTORS (COLLECTIVELY, THE “DEBTORS”). PLEASE READ THIS NOTICE CAREFULLY AS YOUR RIGHTS MAY BE AFFECTED BY THE TRANSACTIONS DESCRIBED HEREIN.

PLEASE TAKE NOTICE that on September [●], 2016, the above-captioned debtors and debtors in possession (the “Debtors”)² filed the *Debtors’ Motion for Entry of (I) an Order Establishing Bidding Procedures and Granting Related Relief and (II) an Order Approving the Sale of Certain Assets Free and Clear of Liens, Claims, Encumbrances, and Interests* [Docket No. _] (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) seeking, among other things, entry of an order (the “Sale Order”): (a) approving the proposed bidding procedures (the “Bidding Procedures”) by which the Debtors will solicit and select the highest and otherwise best offer for the sale of certain of their assets (the “Assets”) through one or more sales of the Assets (each, a “Sale Transaction” or “Sale”); (b) establishing procedures for the assumption and assignment of executory contracts and unexpired leases, including notice of proposed cure amounts (the “Assumption and Assignment Procedures”); (c) approving the form and manner or notice with respect to certain procedures,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); Samson Investment Company (1091); Samson Lone Star, LLC (9455); Samson Resources Company (8007); and Samson Resources Corporation (1227). The location of parent Debtor Samson Resources Corporation’s corporate headquarters and the Debtors’ service address is: Two West Second Street, Tulsa, Oklahoma 74103.

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

protections, schedules, and agreements described herein and attached hereto; (d) scheduling (i) a hearing, to approve the Debtors' selection of one or more stalking horse bidders (each, a "Stalking Horse Bidder"), if any, and the provision of Bid Protections (as defined below) to such Stalking Horse Bidder, if necessary; (ii) an auction if the Debtors receive two or more timely and acceptable Qualified Bids (as defined below); and (iii) a final hearing (the "Sale Hearing") to approve one or more Sales of the Assets; and (e) granting related relief. The Debtors further request that, at the Sale Hearing, this Court enter a Sale Order or Sale Orders, which will be filed before the Sale Hearing, (a) authorizing the Sale of the Assets free and clear of liens, claims, interests, and encumbrances; (b) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (c) granting related relief.

PLEASE TAKE FURTHER NOTICE that on September [●], 2016, the Court entered an order [Docket No. _] (the "Bidding Procedures Order") granting certain of the relief sought in the Sale Motion, including, among other things, approving: (a) the Bidding Procedures for the Sale of the Assets; and (b) the Assumption and Assignment Procedures.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Assumption and Assignment Procedures and by this written notice, the Debtors hereby notify you that they have determined, in the exercise of their business judgment, that the Designated Contracts and any modifications thereto set forth on Schedule 1 attached hereto (collectively, the "Acquired Contracts") shall be assumed and assigned to the Successful Bidder, subject to the Successful Bidder's payment of the cure amounts set forth on Schedule 1, or such other cure amounts that are agreed to by the parties.

PLEASE TAKE FURTHER NOTICE that, the Successful Bidder has the right under certain circumstances to designate additional Designated Contracts as Acquired Contracts or remove Designated Contracts from the list of Acquired Contracts prior to Closing (as defined in the Asset Purchase Agreement).

PLEASE TAKE FURTHER NOTICE that copies of the Bidding Procedures Order and the Bidding Procedures and any other related documents are available: (a) upon request to Garden City Group LLC (the notice and claims agent retained in these chapter 11 cases) by calling (877) 547-8096; (b) by visiting the website maintained in these chapter 11 cases at <http://http://cases.gcginc.com/SamsonRestructuring/index.php>; or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE that, except as otherwise provided by the Bidding Procedures Order, the time for filing objections to (a) the cure amounts related to the Acquired Contracts, (b) the Debtors' ability to assume and assign any Acquired Contract, and (c) adequate assurance of future performance by the assumption and assignment to the Successful Bidder must be filed and served on the Objection Recipients no later than 4:00 p.m. (prevailing Eastern Time) fourteen (14) days following the Assumption and Assignment Service Date.

Dated: _____, 2016
Wilmington, Delaware

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Co-Counsel for the Debtors and Debtors in Possession

Schedule 1

Acquired Contracts

Acquired Contracts¹

Debtor	Counterparty	Description of Acquired Contracts or Leases	Cure Amount

¹ The presence of a contract or lease on this **Schedule 1** does not constitute an admission by the Debtors that such contract is an executory contract or such lease is an unexpired lease pursuant to section 365 of the Bankruptcy Code or any other applicable law, and the Debtors reserve all rights to withdraw any proposed assumption and assignment, or to reject any contract or lease at any time before such contract or lease is assumed and assigned pursuant to an order of the Court.

Exhibit C

Form of Stalking Horse Agreements

Exhibit C-1

Red Willow Stalking Horse Agreement

ASSET PURCHASE AGREEMENT

DATED AS OF SEPTEMBER 6, 2016 ,

BY AND BETWEEN

SAMSON RESOURCES COMPANY

AS SELLER,

AND

**THE SOUTHERN UTE INDIAN TRIBE,
DOING BUSINESS THROUGH ITS DIVISION KNOWN AS RED WILLOW PRODUCTION COMPANY**

AS BUYER

TABLE OF CONTENTS

ARTICLE 1

DEFINITIONS

1.1 Definitions.....1
 1.2 Other Definitions and Interpretive Matters.....13

ARTICLE 2

PURCHASE AND SALE

2.1 Purchase and Sale14
 2.2 Excluded Assets17
 2.3 Assumed Liabilities18
 2.4 Excluded Liabilities18
 2.5 Cure Costs.....19
 2.6 Assignment of Assets Subject to Consent Requirements.19
 2.7 Consents for Assigned Contracts; Further Assurances20

ARTICLE 3

PURCHASE PRICE

3.1 Purchase Price.....21
 3.2 Deposit21

ARTICLE 4

CLOSING

4.1 Closing Date.....21
 4.2 Payment on the Closing Date.....22
 4.3 Buyer’s Deliveries22
 4.4 Seller’s Deliveries.....23

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

5.1 Organization and Good Standing.....24
 5.2 Authority; Validity; Governmental Authority Consents.....24
 5.3 No Conflict.....25
 5.4 Material Assigned Contracts.....25
 5.5 Permits25
 5.6 Wells; Plug and Abandon Notice.....25
 5.7 Imbalances26

5.8	AFEs	26
5.9	Non-Consent Operations.....	26
5.10	Hedging.....	26
5.11	Preferential Purchase Rights.....	26
5.12	Suspense Funds.....	26
5.13	Intellectual Property.....	26
5.14	Taxes.....	26
5.15	Legal Proceedings.....	27
5.16	Labor Matters.....	27
5.17	Employee Benefits.....	27
5.18	No Take-or-Pay Obligations.....	27
5.19	Payments.....	28
5.20	Environmental Matters.....	28
5.21	Title Matters.....	28
5.22	Brokers or Finders.....	28
5.23	Cure Costs.....	28
5.24	Materiality Qualifier for Non-Operated Assets	29

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

6.1	Organization and Good Standing.....	29
6.2	Authority; Validity; Consents.....	29
6.3	No Conflict.....	30
6.4	Availability of Funds	30
6.5	Litigation.....	30
6.6	Bankruptcy.....	30
6.7	Brokers or Finders.....	30
6.8	Knowledge and Experience	30
6.9	Qualification to Assume Operatorship.....	31

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1	Access and Reports.....	31
7.2	Operations Prior to the Closing Date.....	32
7.3	Reasonable Best Efforts.....	33
7.4	Bankruptcy Court Approval.....	35
7.5	Bankruptcy Filings.....	35
7.6	Updates and Amendments of Exhibits, Schedules and Disclosure Schedules	36
7.7	Bidding Procedures.....	36
7.8	Cure Costs.....	36
7.9	Division Order Title Opinions	36
7.10	Governmental Transfer Documents.....	36

7.11	Funding of Purchase Price	36
------	---------------------------------	----

ARTICLE 8

ADDITIONAL AGREEMENTS

8.1	Taxes	37
8.2	Allocation of Purchase Price.....	38
8.3	Bulk Sales	39
8.4	Payments Received	39
8.5	Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.....	39
8.6	Employee Matters	40
8.7	Post-Closing Books and Records and Personnel	41
8.8	No Other Representations or Warranties; Disclaimers; NORM.....	41
8.9	Casualty.....	43
8.10	Successor Operator	44
8.11	Preferential Purchase Rights	44
8.12	Accounting Adjustments for Revenues and Expenses.....	45
8.13	Initial Adjustment at Closing	46
8.14	Adjustment Post Closing.....	46

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

9.1	Accuracy of Representations	47
9.2	Seller’s Performance	47
9.3	No Order	48
9.4	Seller’s Deliveries	48
9.5	Bidding Procedures Order and Sale Order.....	48
9.6	Cure of Defaults	48
9.7	No Casualty Loss	48
9.8	Authorizations.....	48

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

10.1	Accuracy of Representations	48
10.2	Sale Order in Effect	49
10.3	Buyer’s Performance	49
10.4	No Order	49
10.5	Buyer’s Deliveries	49
10.6	Authorizations.....	49

ARTICLE 11

TERMINATION

11.1	Termination Events.....	49
11.2	Effect of Termination.....	51

ARTICLE 12

SURVIVAL AND INDEMNIFICATION

12.1	No Survival of Seller’s Representations and Warranties.....	52
12.2	Survival of Buyer’s Representations and Warranties	53
12.3	Indemnification by Buyer	53
12.4	Indemnification Procedures	54
12.5	Calculation of Liabilities.....	55
12.6	Tax Treatments of Indemnity Payments.....	55

ARTICLE 13

GENERAL PROVISIONS

13.1	Confidentiality	55
13.2	Public Announcements	55
13.3	Notices	56
13.4	Waiver; Waiver of Damages.....	57
13.5	Entire Agreement; Amendment	58
13.6	Assignment	58
13.7	Severability	58
13.8	Expenses	59
13.9	Time of the Essence	59
13.10	Specific Performance	59
13.11	Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.....	59
13.12	Counterparts.....	60
13.13	Parties in Interest; No Third Party Beneficiaries	60
13.14	No Recourse.....	60
13.15	Disclosure Schedules; Materiality	61
13.16	Liquidating Trustee.....	61
13.17	Approval of the Bankruptcy Court	61

SCHEDULES:

Schedule 1.1(a)	Seller's Knowledge Persons
Schedule 1.1(b)	Intentionally omitted.
Schedule 2.1(b)(v)	Miscellaneous Corporate Property
Schedule 2.1(b)(xii)	Known Receivables
Schedule 2.1(b)(xiii)	Included Intellectual Property
Schedule 2.2(b)	Certain non-excluded cash and cash equivalents
Schedule 2.2(g)	Excluded Leases and Interests
Schedule 2.2(h)	Excluded Contracts
Schedule 7.2	Operations Prior to the Closing Date
Schedule 8.2	Allocated Values
Schedule 8.6(a)	Applicable Employees
Schedule 8.11(a)(iv)	Cash Call Pre-Payment Amounts

DISCLOSURE SCHEDULES:

Disclosure Schedule 5.2	Governmental Authority Consents
Disclosure Schedule 5.4	Material Assigned Contracts
Disclosure Schedule 5.5	Permits
Disclosure Schedule 5.6	Wells
Disclosure Schedule 5.7	Imbalances
Disclosure Schedule 5.8	AFEs
Disclosure Schedule 5.10	Preferential Purchase Rights
Disclosure Schedule 5.11	Suspense Funds
Disclosure Schedule 5.14	Taxes
Disclosure Schedule 5.15(a)	Excluded Legal Proceedings
Disclosure Schedule 5.15(b)	Assumed Legal Proceedings
Disclosure Schedule 5.17	Benefit Plans
Disclosure Schedule 5.18	Take-or-Pay Obligations
Disclosure Schedule 5.19	Payments
Disclosure Schedule 5.20	Environmental

EXHIBITS:

Exhibit A	Form of Bidding Procedures
Exhibit B	Form of Bidding Procedures Order
Exhibit C	Assigned Leases and Interests
Exhibit D	Wells
Exhibit E	Assigned Contracts
Exhibit F	Form of Assumption Agreement
Exhibit G	Form of Assignment
Exhibit H	Form of Sale Order

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of September 6, 2016 (the “Execution Date”) is by and between Samson Resources Company, an Oklahoma corporation, whose address is Samson Plaza, Two West Second Street, Tulsa, Oklahoma 74103 (“Seller”), and the Southern Ute Indian Tribe, a federally-recognized Indian tribe, doing business through its division known as Red Willow Production Company, whose address is 14933 Highway 172, Ignacio, CO 81137 (“Buyer”). Capitalized terms used but not otherwise defined herein have the meanings set forth in Article 1. Seller and Buyer are sometimes referred to collectively herein as the “Parties” and individually as a “Party”.

RECITALS

WHEREAS, Seller is engaged in the business of onshore oil and natural gas exploration, development and production in the United States of America, and owns, in varying proportions, certain oil and gas leases and associated assets more particularly described in Section 2.1;

WHEREAS, on September 16, 2015, Seller commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”);

WHEREAS, Seller desires to sell to Buyer all of the Assets, including the Assigned Contracts and the Assigned Leases and Interests, and Buyer desires to purchase from Seller all of the Assets, including the Assigned Contracts and the Assigned Leases and Interests and assume the Assumed Liabilities, upon the terms and conditions hereinafter set forth;

WHEREAS, the Parties intend to effectuate the transactions contemplated by this Agreement through a sale of the Assets, including the assumption and assignment of the Assigned Contracts and the Assigned Leases and Interests, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code; and

WHEREAS, the transactions set forth in this Agreement are subject to the terms and conditions set forth herein, including the approval of the Bankruptcy Court and will be consummated only pursuant to the Sale Order to be entered in the Bankruptcy Court;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions.

For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“Accounting Referee” has the meaning set forth in Section 8.13.

“Action” means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.

“Administrative Expenses” whether initially capitalized or not, has the meaning set forth under Section 364(c)(1) of the Bankruptcy Code.

“AFEs” has the meaning set forth in Section 5.8.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by, or is under common Control with, such specified Person; *provided* that Kohlberg Kravis Roberts & Co. L.P. and all private equity funds, portfolio companies, parallel investment entities, and alternative investment entities owned, managed, or Controlled by Kohlberg Kravis Roberts & Co. L.P. (excluding Samson Resources Corporation and its Subsidiaries) shall not be considered or otherwise deemed to be an “Affiliate” of Seller.

“Agreement” has the meaning set forth in the introductory paragraph.

“Allocated Value” has the meaning set forth in Section 8.2.

“Applicable Employees” means those employees of Seller and its Subsidiaries that are listed on Schedule 8.6(a).

“Asset Taxes” has the meaning set forth in Section 8.1(b).

“Assets” has the meaning set forth in Section 2.1(b).

“Assigned Contracts” has the meaning set forth in Section 2.1(b)(viii).

“Assigned Leases and Interests” has the meaning set forth in Section 2.1(b)(i).

“Assignment” means the Assignment and Bill of Sale substantially in the form attached hereto as **Exhibit G**.

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Assumption Agreement” has the meaning set forth in Section 2.3.

“Auction” has the meaning set forth in the Bidding Procedures.

“Avoidance Actions” means any and all claims for relief of Seller under chapter 5 of the Bankruptcy Code, including any proceeds thereof.

“Backup Bidder” has the meaning set forth in the Bidding Procedures.

“Bankruptcy Case” means the case commenced by Seller under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, styled In re: Samson Resources Corporation, *et al.*, jointly administered under Case No. 15-11934, and pending before the Bankruptcy Court.

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

“Bankruptcy Court” has the meaning set forth in the recitals.

“Base Purchase Price” has the meaning set forth in Section 3.1.

“Benefit Plan” has the meaning set forth in Section 5.17.

“BIA” means U.S. Bureau of Indian Affairs.

“Bid Deadline” has the meaning set forth in the Bidding Procedures Order.

“Bidding Procedures” means bid procedures in substantially the form attached hereto as **Exhibit A**, to be submitted to the Bankruptcy Court for approval pursuant to the Bidding Procedures Order.

“Bidding Procedures Order” means an Order of the Bankruptcy Court in substantially the form attached hereto as **Exhibit B**.

“Break-Up Fee” shall have the meaning set forth in Section 11.2(c).

“Business Day” means any day, other than Saturday or Sunday, on which commercial banks are open for commercial business with the public in Tulsa, Oklahoma.

“Buyer” has the meaning set forth in the introductory paragraph.

“Buyer’s Employment Conditions” has the meaning set forth in Section 8.6(a)(ii).

“Buyer Parties” means Buyer, its respective Affiliates and the former, current or future equity holders and Representatives of each of the foregoing.

“Buyer Termination Notice” has the meaning set forth in Section 11.1(b)(i).

“Casualty Loss” means any loss, damage or destruction of the Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear, temporary cessations of production (including the shutting-in of any Well) in the ordinary course of business, any change in condition of the Assets for production of Hydrocarbons through normal depletion (which exclusion shall include the watering-out of any Well, collapsed casing, sand infiltration of any Well), or other reservoir changes relating to production issues.

“Closing” has the meaning set forth in Section 4.1.

“Closing Date” has the meaning set forth in Section 4.1.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the official committee of unsecured creditors appointed in the Bankruptcy Case pursuant to section 1102(a) of the Bankruptcy Code.

“Contract” means any agreement, contract, obligation, promise or undertaking (in each case, whether written or oral), other than a Lease, that is legally binding and relates to the San Juan Basin Package assets or Assumed Liabilities.

“Control” means the ability (directly or indirectly through one or more intermediaries) to direct or cause the direction of the management or affairs of a Person, whether through the ownership of voting interests, by contract or otherwise.

“Copyrights” means all United States and foreign copyright rights in any original works of authorship, whether registered or unregistered, including all copyright registrations and applications.

“Cure Costs” has the meaning set forth in Section 5.23.

“Defensible Title” means that title which, as of the Effective Date and the Closing Date, and subject to any Permitted Encumbrances: (a) entitles Seller and the Transferring

Subsidiaries, in the aggregate, to receive and retain a Net Revenue Interest for each Well which is not less than the Net Revenue Interest set forth for such Well in **Exhibit D**, except for any decrease (i) caused by orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Effective Date that concern pooling, unitization, communitization or spacing matters, or (ii) caused by Buyer, its successors or assigns; (b) obligates Seller and the Transferring Subsidiaries, in the aggregate, for each Well, to bear a Working Interest for such Well which is not more than the Working Interest set forth for such Well in **Exhibit D**, except for any increase (i) caused by Buyer, its successors or assigns, (ii) that also results in the Net Revenue Interest associated with the Well proportionately increased, or (iii) caused by orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Effective Date that concern pooling, unitization, communitization or spacing matters; and (c) as to all Assets, is free and clear of all Encumbrances.

“Deposit” has the meaning set forth in Section 3.2.

“Effective Date” means 12:01 a.m. on July 1, 2016.

“Employee” means any current or former employee of Seller as of the Closing.

“Encumbrance” means any charge, lien, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal, easement, servitude, restrictive covenant, encroachment, encumbrance, third party interest, voting trust or agreement, transfer restriction under any shareholder or other agreement, or other restriction or limitation of any kind.

“Environmental Laws” means all Legal Requirements pertaining to pollution or the protection of the environment, including those pertaining to (a) the use, generation, storage, emission, discharge, clean-up, release, or threatened release of pollutants, contaminants, NORM, chemicals, or industrial, toxic or hazardous substances (collectively, “Pollutants”) on or into the environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of Pollutants; (b) health; (c) the environment; or (d) wildlife or natural resources as applicable to the Assets and in effect in or for the jurisdiction in which the Assets are located, including the Clean Air Act (Air Pollution Control Act), the Clean Water Act (CWA), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (NEPA), the Endangered Species Act (ESA), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (FWCA), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act of 1986 (SARA), the Resources Conservation and Recovery Act (RCRA), the Toxic Substance Control Act, the Occupational, Safety and Health Act (OSHA), the Emergency Planning and Community Right-To-Know Act (EPCRA), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (HSWA).

“Equipment” has the meaning set forth in Section 2.1(b)(iv).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” has the meaning set forth in Section 5.17.

“Escrow Agent” has the meaning set forth in Section 3.2.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Contracts” means those Contracts described on Schedule 2.2(h).

“Excluded Leases and Interests” means those Leases and Mineral Interests described on Schedule 2.2(g).

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Records” means (a) the general corporate files and records of Seller or any Transferring Subsidiary, insofar as they relate to Seller’s or such Transferring Subsidiary’s business generally and are not required for the future ownership or operation of the Assets, (b) all legal files and records (other than title opinions), (c) Seller’s and the Transferring Subsidiaries’ federal or state income, franchise or margin tax files and records, (d) employee files, (e) reserve evaluation information or economic projections, (f) records relating to the sale of the Assets, including competing bids, (g) proprietary data, information and data under contractual restrictions on assignment or disclosure, (h) privileged information and (i) any other files or records to the extent relating to any of Seller’s assets other than the San Juan Basin Package assets or Assumed Liabilities.

“Execution Date” has the meaning set forth in the introductory paragraph.

“Expense Reimbursement” means an amount, for which Seller shall be liable under the circumstances set forth in Section 11 equal to the reasonable documented out-of-pocket costs and expenses of Buyer (including reasonable, documented expenses of counsel, investment bankers and other outside consultants, and other reasonable, documented legal expenses) related to negotiating this Agreement and investigating Seller and the Assets in the aggregate up to a maximum amount of one percent (1%) of the Base Purchase Price, which amount, upon entry of the Bidding Procedures Order, shall constitute an administrative expense of Seller under Section 364(c)(1) of the Bankruptcy Code, and be paid as set forth in Section 11.

“Expiration Date” has the meaning set forth in Section 12.2.

“Final Order” means an Action taken or Order issued by the applicable Governmental Authority as to which: (a) no request for stay of the Action or Order is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by statute or regulation, it is passed, including any extensions thereof; (b) no petition for rehearing or reconsideration of the Action or Order, or protest of any kind, is pending before the Governmental Authority and the time for filing any such petition or protest is passed; (c) the Governmental Authority does not have the Action or Order under reconsideration or review on its own motion and the time for such reconsideration or review has passed; and (d) the Action or Order is not then under judicial review, there is no notice of appeal or other application for judicial review pending, and the deadline for filing such notice of appeal or other application for judicial review has passed, including any extensions thereof.

“Final Settlement Statement” has the meaning set forth in Section 8.13.

“Good Position” means, for each applicable New Employee, a position with Buyer which (a) does not provide for a material diminution in such employee’s annual base rate of pay (as Seller has advised Buyer in writing no later than five (5) days after the Execution Date) was in effect immediately prior to such Employee’s receipt of notice of termination of his or her employment from Seller, (b) does not require relocation of such Employee’s primary place of

employment to a location that is more than 50 miles away from the Employee's primary place of employment (as identified by Seller to Buyer in writing no later than five (5) days after the Execution Date) as of the date of such Employee's receipt of notice of termination of his or her employment from Seller, (c) provides benefits consistent with those otherwise provided by Buyer to its similarly situated non-executive employees, including enrollment in Buyer's employee benefit plans (as defined in section 3(3) of ERISA) and for which such Employees shall receive vacation and sick leave benefits consistent with Buyer's similarly situated non-executive employees, (d) reimburses Employee for COBRA premiums actually incurred by Employee for the 90-day waiting period commencing with the first day of Employee's employment with Buyer and ending on the date when Employee is eligible to participate in Buyer's health insurance plan, and (e) subject to satisfaction of Buyer's Employment Conditions as set forth in Section 8.6(a), either (i) continues for at least three (3) months after Closing or (ii) provides for severance benefits equivalent or better than those provided by Seller to such New Employee.

"Governmental Authority" means any court or tribunal (including an arbitrator or arbitral panel) in any jurisdiction (domestic or foreign) or any federal, tribal, state, county, municipal or other governmental or quasi-governmental body, agency, authority, department, board, commission, bureau, official or other authority or instrumentality.

"Governmental Authorization" means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.

"Governmental Transfer Documents" means applications and any other documents to be submitted to any and all applicable Governmental Authorities, including without limitation the BIA and the State of Colorado, seeking approval of the Transaction or any portion thereof, including without limitation, transfer of the Assigned Leases and Interests, the Assigned Contracts, or any other Asset.

"Hard Consent" has the meaning set forth in Section 2.6.

"Hazardous Substance" means any Pollutant and any "contaminant," "hazardous waste," "hazardous material", "hazardous substance", or other toxic substance under any Environmental Laws.

"Hydrocarbons" means oil, gas, minerals, and other gaseous and liquid hydrocarbons, or any combination of the foregoing, produced from and attributable to the Properties.

"Imbalances" means over-production or under-production or over-deliveries or under-deliveries with respect to Hydrocarbons produced from or allocated to the Properties, regardless of whether such over-production or under-production or over-deliveries or under-deliveries arise at the wellhead, pipeline, gathering system, transportation system, processing plant, or other location, including any imbalances under gas balancing or similar agreements, imbalances under production handling agreements, imbalances under processing agreements, imbalances under the Assigned Leases and Interests, imbalances under gathering or transportation agreements, and imbalances under operating agreements.

"Indemnification Claim" has the meaning set forth in Section 12.4(a).

“Intellectual Property” means all intellectual property, including all Copyrights, Patents and Trademarks, owned, used or licensed by Seller and used or held for use exclusively in the ownership and operation of the Assets, but specifically excluding, for the avoidance of doubt, (a) all seismic, geological, geochemical or geophysical data licensed by Seller and any of Seller’s interpretations of such data and (b) that certain intellectual property being more particularly described on Schedule 2.1(b)(xiii).

“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual knowledge (without any duty of inquiry) of any of the individuals listed on Schedule 1.1(a) with respect to such matter, and (b) in the case of Buyer, the actual knowledge (without any duty of inquiry) of any of the individuals listed on Schedule 1.1(b) with respect to such matter.

“Known Receivables” means all expenditures incurred by Seller prior to the Effective Date in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) and billed to third party working interest owners, which, as of two (2) Business Days prior to the Closing Date, remain outstanding and owed to Seller, such amounts and third parties being more particularly described on Schedule 2.1(b)(xii), which the Parties agree shall be updated no later than three (3) Business Days prior to the Closing Date.

“Lease” means any existing oil and gas lease, oil, gas and mineral lease or sublease, and other leasehold interest, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment.

“Legal Requirement” means any federal, state, provincial, local, municipal, foreign, international, multinational, or other administrative Order, constitution, law, ordinance, principle of common law, regulation, rule, code, statute or treaty, promulgated by any Governmental Authority now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable administrative or judicial interpretation thereof.

“Liabilities” means any and all claims, “Claims” (as defined in Section 101(5) of the Bankruptcy Code), rights, demands, causes of action, liabilities (including civil fines), obligations, damages, losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys’ fees) in connection therewith.

“Material Adverse Effect” means any change, event or occurrence that individually or in the aggregate (taking into account all other such changes, events or occurrences) has had, or would be reasonably likely to have, a material adverse effect on the Assets (excluding the Excluded Assets and the Excluded Liabilities), taken as a whole, but excluding (a) any change or effect to the extent that it results from or arises out of (i) the commencement or pendency of the Bankruptcy Case; (ii) the execution and delivery of this

Agreement or the announcement or pendency thereof or consummation of the transactions contemplated hereby; or (iii) any action contemplated by this Agreement or taken at the request of Buyer; (b) any change or effect generally applicable to (i) the industries and markets in which Seller operates or (ii) economic or political conditions or the securities, financial or commodities markets in any country or region, but in each instance only if Seller is not disproportionately impacted compared to other entities in the same industries and markets; (c) any outbreak or escalation of hostilities or war or any act of terrorism, but only if Seller is not disproportionately impacted compared to similarly situated entities; (d) any objections in the Bankruptcy Court to (i) this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, (ii) the reorganization of Seller and any related plan of reorganization or disclosure statement, (iii) the Bidding Procedures or the Sale Motion, or (iv) the assumption or rejection of any Material Assigned Contract; (e) any Order of the Bankruptcy Court; and (f) any of the matters disclosed on any Exhibit or Disclosure Schedule to this Agreement or in any Seller SEC Documents.

“Material Assigned Contracts” means, to the extent related to the Assets, the following: (a) any Assigned Contract that can reasonably be expected to result in aggregate payments by or revenues to Seller (and/or the Transferring Subsidiaries) or Buyer with respect to the Assets of more than Two Hundred Thousand Dollars (\$200,000) net to the interest of Seller (and/or the Transferring Subsidiaries) during the current or any subsequent fiscal year (based solely on the terms thereof and without regard to any expected increase in volumes or revenues); (b) any Hydrocarbon purchase and sale, exchange, marketing, compression, gathering, transportation, processing, refining or similar Assigned Contract (in each case) to which Seller (and/or any Transferring Subsidiary) is a party (or to which any portion of the Assets is subject) with respect to Hydrocarbons from the Assets that is not terminable without penalty on ninety (90) days or less notice (including any Assigned Contract providing for volumetric or monetary commitments or indemnification therefor or for dedication of future production); (c) any Assigned Contract binding upon Seller (and/or the Transferring Subsidiaries) to sell, lease, farmout, or otherwise dispose of or encumber any interest in any of the Assets after the Effective Date, other than (i) conventional rights of reassignment arising in connection with Seller’s (and/or the Transferring Subsidiaries’) surrender or release of any of the Assets (except where any such right of reassignment has already been triggered) or (ii) conventional rights of reassignment arising in connection with a payout, risk penalty, recoupment period or similar obligation where Seller’s and the Transferring Subsidiaries’ Net Revenue Interest after reassignment, or Seller’s and the Transferring Subsidiaries’ after-payout interest, is reflected on **Exhibit D**; (d) any Assigned Contract that would, by its express terms, obligate Buyer to drill additional wells or conduct other material development operations after the Closing; (e) any Assigned Contract that constitutes a non-competition agreement or any agreement that purports to materially restrict, limit, or prohibit the manner in which, or the locations in which, Seller and/or the Transferring Subsidiaries conduct business, including areas of mutual interest; (f) any Assigned Contract providing for any call upon, option to purchase, or similar rights with respect to the Assets or to the production therefrom or the processing thereof, or that is a dedication of production or otherwise requires production to be transported, processed or sold in a particular fashion; (g) any Assigned Contract that constitutes a joint or unit operating agreement whereby Seller or any Transferring Subsidiary is the Operator thereunder, and any other Assigned Contract constituting a joint or unit operating agreement to which Seller or any Subsidiary is a party and which is in Seller’s possession or under Seller’s control, provided that in any event all

material joint or unit operating agreements, regardless of whether Seller or any Subsidiary is the Operator, must be reflected on a Disclosure Schedule hereto; and (h) any Contract that constitutes a partnership agreement.

“Mineral Interests” means all mineral fee interests, mineral rights and mineral servitudes in which Seller owns an interest, including royalty interests, overriding royalty interests, net profits interests, production payments and other rights of a similar nature, whether legal or equitable, whether vested or contingent.

“Miscellaneous Corporate Property” has the meaning set forth in Section 2.1(b)(v).

“Net Revenue Interest” means, for any Well, Seller’s and the Transferring Subsidiaries aggregate share of the Hydrocarbons produced, saved and marketed therefrom (after satisfaction of all other royalties, overriding royalties, nonparticipating royalties, net profits interests, or other similar burdens on or measured by production of Hydrocarbons).

“New Employees” has the meaning set forth in Section 8.6(a).

“Non-Disclosure Agreement” has the meaning set forth in Section 13.1.

“NORM” means naturally occurring radioactive materials.

“Order” means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

“Outside Date” has the meaning set forth in Section 11.1(a)(iv).

“Party” or “Parties” means, individually or collectively, Buyer and Seller.

“Party Affiliate” has the meaning set forth in Section 13.13.

“Patents” means United States and foreign patents and patent applications, as well as any continuations, continuations-in-part, divisions, extensions, reexaminations, reissues, renewals and patent disclosures related thereto.

“Paying Party” has the meaning set forth in Section 8.1(d).

“Permits” has the meaning set forth in Section 2.1(b)(vii).

“Permitted Encumbrances” means any of the following: (a) liens or other Encumbrances for Taxes that are not yet due and payable; (b) plugging and surface restoration obligations; (c) all rights to consent by, required notices to, filings with or other actions by Governmental Authorities in connection with the conveyance of the Assigned Leases and Interests, if the same are customarily sought and received after the Closing (for clarification, this clause (d) shall not excuse Seller from complying with its obligations to execute the Governmental Transfer Documents); (e) third party preferential rights to take Hydrocarbon production under any Assigned Contracts; (f) the terms and conditions of the Assigned Leases and Interests, including any depth limitations, Pugh clauses or similar limitations that may be set forth therein; (g) mortgages on the lessor’s interest under an Assigned Lease and Interest; provided that Buyer shall have no obligation on any loans secured by such mortgages; (h) subject to Section 8.11, Preferential Purchase Rights; (i) such other Encumbrances, if any, as Buyer may have agreed to accept in writing; (j) the terms and conditions of all Assigned Contracts, but only to the extent that they do not, individually or in the aggregate, (1) operate to reduce Seller’s and

the Transferring Subsidiaries' Net Revenue Interest in a Well below that shown in **Exhibit D**, or increase Seller's and the Transferring Subsidiaries' Working Interest in a Well above that shown in **Exhibit D** without a proportionate increase in the Net Revenue Interest, or (2) adversely affect the ownership and/or operation of the affected Assets (as currently used or owned) in any material respect; (k) the terms and conditions of all Surface Rights, but only to the extent that they do not, individually or in the aggregate, interfere in any material respect with the use or operation of the Assets (as currently used or operated) burdened thereby; (l) any rights, obligations, or duties reserved to or vested in any Governmental Authority to regulate any Asset in any manner including all applicable Legal Requirements; (m) royalties, overriding royalties, production payments, net profits interests, reversionary interests and similar burdens with respect to a Well if the net cumulative effect of such burdens does not operate to reduce Seller's and the Transferring Subsidiaries' Net Revenue Interest in such Well below that shown in **Exhibit D**, or increase Seller's and the Transferring Subsidiaries' Working Interest in such Well above that shown in **Exhibit D** without a proportionate increase in the Net Revenue Interest; (n) defects or irregularities of title (1) as to which the relevant statute(s) of limitations or prescription would bar any attack or claim against Seller's and/or the Transferring Subsidiaries' title, (2) consisting of the failure to recite marital status, (3) resulting from a failure to record releases of liens, production payments or mortgages that have expired by their own terms, or (4) arising out of prior oil and gas leases that by their terms and on their face, expired more than ten (10) years prior to the Effective Date and which have not been released of record; (o) materialman's, mechanic's, repairman's, employee's, contractor's, operator's and other similar liens or Encumbrances arising in the ordinary course of business for payments not yet delinquent that are inchoate and have not been perfected pursuant to law or that are contained in joint operating agreements or similar agreements covering the Assets; (p) Imbalances, to the extent reflected on the Disclosure Schedules hereto; (q) liens, obligations, defects, irregularities, or other Encumbrances affecting the Assets that would be waived by an ordinary prudent operator or company experienced in the acquisition or divestiture of producing properties; (r) liens, obligations, defects, irregularities, or other Encumbrances affecting the Assets that would be waived by an ordinary prudent operator or company experienced in the acquisition or divestiture of producing properties in the region in which the Assets are located; (s) conventional rights of reassignment obligating Seller and/or any Transferring Subsidiary to reassign its interest in any portion of the Assigned Leases and Interests to a third party, if (1) such right is only triggered when Buyer expressly indicates its intention to release or abandon such interest prior to the expiration of the primary term or other termination of such interest, or (2) such right arises in connection with a payout, risk penalty, recoupment period or similar obligation where Seller's and the Transferring Subsidiaries' Net Revenue Interest after reassignment, or Seller's and the Transferring Subsidiaries' after-payout interest, is reflected on **Exhibit D**; and (t) any Encumbrances that will be released, barred or otherwise invalidated by the Sale Order.

“Person” means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

“Petition Date” means September 16, 2015.

“Pollutants” has the meaning set forth in the definition of “Environmental Laws”.

“Post-Closing Covenant” has the meaning set forth in Section 12.1.

“Potential Bidders” has the meaning set forth in Section 7.6.

“Preferential Purchase Right” means any right or agreement that enables any Person to purchase or acquire any Asset or any interest therein or portion thereof as a result of or in connection with the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby.

“Preliminary Settlement Statement” means that certain statement provided by Seller to Buyer pursuant to Section 8.12, as amended (if applicable) by mutual agreement prior to Closing, setting forth those initial adjustments to the Base Purchase Price made at Closing.

“Proceeding” means any Action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority.

“Properties” has the meaning set forth in Section 2.1(b)(ii).

“Purchase Price” has the meaning set forth in Section 3.1.

“Records” has the meaning set forth in Section 2.1(b)(xi).

“Reimbursing Party” has the meaning set forth in Section 8.1(d).

“Representative” means, with respect to a particular Person, any director, officer, member, manager, partner, employee, agent, consultant, advisor, investor, shareholder, contractor, subcontractor or other representative of such Person, including legal counsel, accountants and financial advisors.

“Sale Motion” means the motion or motions, in form and substance reasonably satisfactory to Buyer, filed by Seller pursuant to, *inter alia*, Sections 105, 363 and 365 of the Bankruptcy Code seeking entry of the Bidding Procedures Order and the Sale Order and approval of the transactions contemplated by this Agreement.

“Sale Order” means an Order of the Bankruptcy Court, in substantially the form attached hereto as Exhibit H, with such changes thereto as are reasonably acceptable to Buyer and Seller, which Sale Order shall be filed by Seller with the Bankruptcy Court no later than ten (10) days prior to the hearing on the Sale Motion.

“San Juan Basin” means the area located in northwest New Mexico and southwest Colorado.

“San Juan Basin Package” means the assets of Seller included in the San Juan Basin Package as presented to potential bidders pursuant to the San Juan Management Presentation dated June 2016 prepared by PJT Partners on behalf of Seller, including those assets located in the San Juan Basin.

“SEC” means the United States Securities and Exchange Commission.

“Seller” has the meaning set forth in the introductory paragraph.

“Seller Credit Obligations” has the meaning in Section 8.4(c).

“Seller Group” means Seller, its respective Affiliates and the former, current or future equity holders and Representatives of each of the foregoing.

“Seller Indemnified Parties” has the meaning set forth in Section 12.3(a).

“Seller SEC Documents” means all of the reports and forms (including exhibits and information incorporated therein) filed with the SEC by Seller within the twelve (12) months immediately preceding the Execution Date.

“Seller Termination Notice” has the meaning set forth in Section 11.1(c)(i).

“Straddle Period” has the meaning set forth in Section 8.1(b).

“Subsidiary” means any entity with respect to which a specified Person (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect a majority of the directors or similar managing body.

“Successful Bidder” has the meaning set forth in the Bidding Procedures.

“Superior Proposal” means any bona fide proposal or offer to or from a Person other than Buyer or its Representatives with respect to (i) any plan of reorganization or liquidation, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of assets or equity interests or restructuring involving Seller or any of its (or any Transferring Subsidiary’s) material assets, properties or businesses, or (ii) any other direct or indirect acquisition involving Seller and/or one or more of its Transferring Subsidiaries or any of their material assets, properties or businesses, that, in each case, the board of directors of Seller has determined in good faith, after consultation with its outside financial advisors and outside legal counsel, would, if consummated, result in a transaction superior to Seller than the transactions contemplated hereunder, taking into account all terms thereof, including (x) the likelihood and timing of consummation (as compared to the transactions contemplated hereunder) and (y) all material legal, financial (including the financing terms of any such proposal), conditionality, regulatory and other aspects of such proposal.

“Surface Rights” means all surface leases, subsurface leases, rights-of-way, licenses, easements, access agreements, and other surface or subsurface rights agreements applicable to, or used or held in connection with the ownership, operation, maintenance or repair of, or the production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from, the Properties, together with all surface fee interests in the lands covered by the Assigned Leases and Interests.

“Suspense Funds” means proceeds of production and associated penalties and interest in respect of any of the Assets that are payable to third parties and are being held in suspense by Seller as the operator of such Assets.

“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis,

or in any other manner, including any interest, penalty or addition thereto, whether disputed or not.

“Tax Allocation” has the meaning set forth in Section 8.2.

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Trademarks” means United States, state and foreign trademarks, service marks, logos, slogans, trade dress and trade names, Internet domain names and any other similar designations of source of goods or services, whether registered or unregistered, and registrations and pending applications to register the foregoing, and all goodwill related to or symbolized by the foregoing.

“Transaction Documents” means this Agreement and any other agreements, instruments or documents entered into pursuant to this Agreement.

“Transfer Taxes” has the meaning set forth in Section 8.1(a).

“Transferring Subsidiaries” does not refer to any Person, it being understood that there are no Transferring Subsidiaries related to the transactions contemplated by this Agreement.

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988 and any similar Legal Requirement.

“Wells” has the meaning set forth in Section 2.1(b)(ii).

“Working Interest” means, for any Well, that share of costs and expenses associated with the exploration, maintenance, development and operation of such Well that Seller or the Transferring Subsidiaries, either individually or as applicable in the aggregate, are required to bear and pay.

1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Dollars. Any reference in this Agreement to \$ means United States dollars.

(iii) Exhibits/Schedules/Disclosure Schedules. All Exhibits, Schedules and Disclosure Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit, Schedule or Disclosure Schedule but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference in this Agreement to gender includes all genders, and words imparting the singular number only include the plural and vice versa.

(v) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any “Section” or “Article” are to the corresponding Section or Article of this Agreement unless otherwise specified.

(vi) Herein. Words such as “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.

(vii) Including. The word “including” or any variation thereof means “including, without limitation,” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(viii) Statute. References to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder; *provided* that, for purposes of the representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance with, any Legal Requirement, the reference to such Legal Requirement means such Legal Requirement as in effect at the time of such violation or non-compliance or alleged violation or non-compliance, unless such Legal Requirement is later amended with retroactive effect, in which event the reference to such Legal Requirement means such Legal Requirement as amended.

(b) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsman shall be applied against any Person with respect to this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement and the Sale Order, on the Closing Date, Seller and the Transferring Subsidiaries shall sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, to Buyer, and Buyer shall purchase from Seller and the Transferring Subsidiaries, the Assets, free and clear of all Liabilities (other than Assumed Liabilities), Encumbrances (other than Permitted Encumbrances), and Excluded Liabilities.

(b) The “Assets” shall include all right, title and interest of Seller and the Transferring Subsidiaries in, to or under the following:

(i) all Leases and Mineral Interests of Seller and the Transferring Subsidiaries in the San Juan Basin Package, including those described on Exhibit C attached hereto, and those Lease interests and Mineral Interests located in, under or that may be produced from or attributable to (1) the lands covered by the Leases or Mineral Interests described on Exhibit C attached hereto, and (2) the Leases and lands included in any units with which the Leases, the Mineral Interests or the lands covered thereby may have been pooled, unitized or communitized (collectively, the “Assigned Leases and Interests”);

(ii) all of the oil, gas, water, disposal, observation, injection or other wells located on or traversing the Assigned Leases and Interests, on lands pooled, unitized or communitized with any portion thereof, on lands located within any governmental drilling or spacing unit (if applicable) which includes any portion thereof, or on portions thereof associated with proved undeveloped reserves, whether producing, non-producing, plugged, unplugged, shut-in or temporarily abandoned, including those described on Exhibit D (collectively, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(iii) all Hydrocarbons (1) in storage above a custody transfer point as of the Effective Date, but only to the extent Seller receives an upward adjustment to the Base Purchase Price pursuant to Section 8.12(a)(i), and (2) produced from or attributable to the Properties and not yet past a custody transfer point on the Effective Date or produced on and after the Effective Date, and all proceeds attributable thereto;

(iv) all equipment, machinery, fixtures, and other tangible personal property and improvements necessary to ensure the continued operation of each producing unit, located on, primarily used or held for use, or otherwise obtained in connection with the ownership or operation of the Properties, including without limitation tanks, boilers, plants, injection facilities, saltwater disposal facilities, compressors and other compression facilities (whether installed or not), LACT units and associated infrastructure, pumping units, flow lines, pipelines, gathering systems, Hydrocarbon treating or processing systems or facilities, meters, machinery, pumps, motors, gauges, valves, power and other utility lines, roads, computer and automation equipment, telecommunications equipment, field radio telemetry and associated frequencies and licenses, pressure transmitters, central processing equipment and other appurtenances, improvements and facilities (collectively, the “Equipment”);

(v) all vehicles, office leases, field offices, storage yards, and data and software described on Schedule 2.1(b)(v), including without limitation all real property, buildings, structures and other improvements and all fixtures and appurtenances thereto, owned or leased by Seller (or any Subsidiary) in or around Bayfield, Colorado (collectively, the “Miscellaneous Corporate Property”);

(vi) all pipes, casing, tubing, tubulars, fittings, and other spare parts, supplies, tools, and materials located on, used or held for use on or held as inventory in connection with the ownership or operation of the Properties, Miscellaneous Corporate Property or Equipment;

(vii) to the extent transferable pursuant to applicable Legal Requirements, all governmental (whether federal, state or local) permits, licenses, authorizations, franchises, grants, easements, variances, exceptions, consents, certificates, approvals and related instruments or rights of any Governmental Authority or other third party, and any writ, judgment, decree, award, order, injunction or similar order, ruling, directive or other requirement of any

Governmental Authority (in each such case whether preliminary or final) required of Seller and the Transferring Subsidiaries for the ownership, operation or use of the Properties, Miscellaneous Corporate Property or Equipment (collectively, the “Permits”);

(viii) all Contracts (other than the Excluded Contracts), including sales and purchase contracts, operating agreements, exploration agreements, development agreements, seismic licenses, balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments, including the Contracts described on **Exhibit E** attached hereto, in each case, insofar as they relate to any Asset (collectively, the “Assigned Contracts”);

(ix) all Surface Rights;

(x) except solely as they relate to the Excluded Assets and the Excluded Liabilities, all claims, refunds, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller and the Transferring Subsidiaries to the extent related to the Assets and arising or relating to events occurring from and after the Effective Date or related to the Assumed Liabilities;

(xi) all information, books, databases, files, records and data (other than the Excluded Records), whether in written or electronic format, relating to any Asset or to any Assumed Liabilities (collectively, the “Records”), which Records shall include all reservoir, land, operation and production files and records, inclusive of lease records, well records, division order records, property ownership reports and files, contract files and records, well files, title records (including abstracts of title, title opinions and memoranda, and title curative documents), correspondence, production records, prospect files and other prospect information, supplier lists and files, customer lists and files; and all other data including proprietary and non-proprietary engineering, geological, geophysical and seismic data, files and records (but only to the extent transferable without material restriction (including a material restriction against assignment without prior consent)), inclusive of maps, logs, core analysis, formation tests, cost estimates, studies, plans, prognoses, surveys and reports, and including raw data and any interpretive data or information relating to the foregoing, and any other proprietary data in the actual possession or control of Seller and the Transferring Subsidiaries or which Seller and the Transferring Subsidiaries has the right to obtain (either without the payment of money or delivery of other consideration or unduly burdensome effort or, upon Buyer’s written election, at Buyer’s expense) and relating to the ownership, operation, development, maintenance or repair of, or the production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from, the other Assets; *provided* that if any Records can only be assigned to Buyer with a fee or penalty, Buyer shall bear responsibility for such fee or penalty;

(xii) all Known Receivables, cash call pre-payments and other refunds due to Seller and the Transferring Subsidiaries for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Date;

(xiii) that certain intellectual property being more particularly described on Schedule 2.1(b)(xiii);

(xiv) all trade credits, accounts receivable, note receivables, take or pay amounts receivable, and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Date; and

(xv) Avoidance Actions against parties to the Assigned Contracts.

2.2 Excluded Assets.

Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the transactions contemplated hereby, the following (collectively, the "Excluded Assets"):

- (a) the Purchase Price delivered to Seller pursuant to this Agreement;
- (b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, bank accounts and other bank deposits as of the Closing Date;
- (c) Intentionally Omitted;
- (d) any shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries;
- (e) all minute books, stock ledgers, corporate seals and stock certificates of Seller and the Transferring Subsidiaries;
- (f) all Excluded Records;
- (g) Excluded Leases and Interests as identified on Schedule 2.2(g), if any;
- (h) all Excluded Contracts as identified on Schedule 2.2(h), if any;
- (i) all rights to any refunds of Taxes (or other related costs or expenses) that are borne by or the responsibility of Seller or any Transferring Subsidiary, attributable to any Tax asset of Seller or any Transferring Subsidiary or income Taxes of Seller or any Transferring Subsidiary, or to which Seller or any Transferring Subsidiary is otherwise entitled hereunder;
- (j) subject to Section 8.8(b), all insurance policies and rights to proceeds thereof;
- (k) all Permits and pending applications therefor to the extent related to any other Excluded Asset or the Excluded Liabilities;
- (l) all Intellectual Property;
- (m) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;
- (n) all claims, refunds, loss carry forwards, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller or any Transferring Subsidiary, other than those constituting Assets;

(o) all rights, claims or causes of action by or in the right of Seller against any current or former director or officer of Seller;

(p) the Avoidance Actions, except those purchased pursuant to Section 2.1(xv);

(q) all Benefit Plans; and

(r) any rights, claims or causes of action of Seller or any Transferring Subsidiary under this Agreement or any other Transaction Document.

2.3 Assumed Liabilities.

Upon the terms and subject to the conditions of this Agreement and the Sale Order, at Closing, Buyer shall execute and deliver to Seller the Assumption Agreement in the form attached hereto as **Exhibit F** (the "Assumption Agreement") pursuant to which Buyer shall assume and agree to discharge or otherwise satisfy, when due (in accordance with their respective terms and subject to the respective conditions thereof), the following Liabilities (collectively, the "Assumed Liabilities"):

(a) Assigned Contracts. All of the Seller's and the Transferring Subsidiaries' Liabilities under the Assigned Contracts to the extent arising after the Effective Date.

(b) Properties. Except for those Liabilities identified as Excluded Liabilities in Section 2.4(a) through (h), inclusive: (i) all of Seller's and the Transferring Subsidiaries' plugging and abandonment obligations relating to the Properties and all other Liabilities under Environmental Laws, whether arising prior to, at or after the Effective Date, and (ii) all of Seller's and the Transferring Subsidiaries' other Liabilities arising under the Properties, to the extent such Liabilities arise after the Effective Date;

(c) Cure Costs. Intentionally omitted.

(d) Suspense Funds. Subject to the adjustment to the Purchase Price as provided in Section 8.12(b)(ii), obligations of Seller and the Transferring Subsidiaries with respect to the Suspense Funds, together with any escheatment obligations related thereto, associated with Assets.

(e) Buyer Taxes. All Asset Taxes with respect to the Assets, except Asset Taxes that are the responsibility of the Seller and the Transferring Subsidiaries pursuant to Section 8.1(b).

(f) Transfer Taxes. All Transfer Taxes.

(g) Other Assets. To the extent not already described in 2.3(a) through (h) above, all Liabilities arising from, related to or associated with the Assets, to the extent arising after the Effective Date.

The assumption by Buyer of the Assumed Liabilities shall not, in any way, enlarge the rights of any third parties relating thereto.

2.4 Excluded Liabilities.

Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform, discharge or

otherwise satisfy any Liability of Seller and the Transferring Subsidiaries, and Seller and the Transferring Subsidiaries shall be solely and exclusively liable with respect to all Liabilities of Seller and the Transferring Subsidiaries, other than the Assumed Liabilities (such Liabilities other than Assumed Liabilities, collectively, the “Excluded Liabilities”). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities shall include, without limitation, each of the following Liabilities of Seller and the Transferring Subsidiaries:

(a) all indebtedness of Seller and the Transferring Subsidiaries, including without limitation indebtedness for borrowed money;

(b) all guarantees of third party obligations by Seller and the Transferring Subsidiaries and reimbursement obligations to guarantors of Seller’s and the Transferring Subsidiaries’ obligations or under letters of credit;

(c) all accrued expenses and accounts payables;

(d) all Tax Liabilities of Seller other than the Transfer Taxes and Asset Taxes that are the responsibility of Buyer pursuant to Section 8.1(a) and Section 8.1(b);

(e) those Actions and Proceedings set forth on Disclosure Schedule 5.14(a);

(f) all Liabilities of Seller and the Transferring Subsidiaries to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;

(g) any claims to the extent related to the Excluded Assets;

(h) obligations under any futures contracts, options on futures, swap agreements or forward sale agreements entered into by Seller or any Transferring Subsidiary;

(i) all Liabilities arising from or relating to any layoffs or termination of Employees by Seller at or prior to Closing, including without limitation all accrued and unpaid vacation, sick or other leave, payroll taxes, related expenses, or any other Liabilities to Employees, and all Liabilities, if any, arising from any Legal Requirements of Seller in connection with the termination of Employees, including without limitation notice and other obligations under the WARN Act;

(j) all Liabilities with respect to Employees and Benefit Plans; and

(k) all Liabilities that are not Assumed Liabilities.

2.5 Cure Costs. Intentionally omitted.

2.6 Assignment of Assets Subject to Consent Requirements.

If prior to the Closing Date any consent to assignment applicable to the transactions contemplated hereby (other than governmental consents or approvals customarily obtained post-Closing, including consents of the BIA relating to Tribal leases) (a) has not been obtained, satisfied or waived by Buyer, or (b) is no longer applicable to the transactions contemplated hereby by reason of any Bankruptcy Court Order, and further, failure to obtain such third party consent or waiver may result in termination of a Lease or would cause a Lease to be void or voidable, in each case after giving effect to the Sale Order (each such third party consent, a “Hard Consent”), the Properties affected by such Hard Consent shall be held back

from the Assets conveyed at Closing without reduction to the Base Purchase Price. Any Property so held back at the Closing will be conveyed to Buyer within ten (10) Business Days after such Hard Consent has been obtained, waived or otherwise satisfied. At such subsequent closing, Seller shall contribute, assign, transfer and convey to Buyer, and Buyer shall acquire and accept from Seller, such Property pursuant to the terms of this Agreement. Except for Hard Consents, if any consents to the assignment of any Asset are not obtained prior to Closing, then with respect to each affected Asset, the affected Assets shall nevertheless be sold and conveyed to Buyer at the Closing and Buyer shall pay for the affected Asset(s) at Closing in accordance with this Agreement as though the Consent had been obtained. In the case of licenses, certificates, approvals, authorizations, Leases, Contracts and other commitments included in the Assets (i) that cannot be transferred or assigned without the Hard Consent of third parties, which Hard Consent has not been obtained prior to the Closing (after giving effect to the Sale Order and the Bankruptcy Code), Seller shall, at Buyer's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer in attempting to obtain such Hard Consent and, if any such Hard Consent is not obtained, Seller shall, following the Closing, at Buyer's sole expense and subject to any approval of the Bankruptcy Court that may be required, cooperate with Buyer in all reasonable respects to provide to Buyer the benefits thereof in some other manner, or (ii) that are otherwise not transferable or assignable (after giving effect to the Sale Order and the Bankruptcy Code), Seller shall, following the Closing, at Buyer's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer to provide to Buyer the benefits thereof in some other manner (including the exercise of the rights of Seller thereunder); *provided* that nothing in this Section 2.6 shall (1) require Seller to make any expenditure or incur any obligation on its own or on behalf of Buyer for which funds in the full amount of such expenditure or obligation are not provided to Seller by Buyer in advance in cash or (2) prohibit Seller from ceasing operations or winding up its affairs following the Closing.

2.7 Consents for Assigned Contracts; Further Assurances.

The Parties agree:

(a) that for all purposes of this Agreement (including Seller's representations and warranties as set forth in this Agreement), Seller shall be deemed to have obtained all required consents in respect of the assumption and assignment of any Assigned Contract if, and to the extent that, (i) Seller has properly served under the Bankruptcy Code notice of assumption and assignment on the counterparty to such Assigned Contract, (ii) any objections to assumption and assignment filed by such counterparty have been withdrawn or overruled (including pursuant to the Sale Order or other Order of the Bankruptcy Court), and (iii) pursuant to the Sale Order, Seller is authorized to assume and assign such Assigned Contracts to Buyer pursuant to Section 365 of the Bankruptcy Code and any applicable Cure Costs have been satisfied by Buyer or Seller as provided in this Agreement. Seller shall, as part of the Sale Motion, seek the assumption and assignment to Buyer of the Assigned Leases and Interests and the Assigned Contracts.

(b) to (i) furnish upon request to each other such further information, (ii) execute, acknowledge and deliver to each other such other documents and (iii) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; *provided* that nothing in this Section

2.7(b) shall prohibit Seller from ceasing operations or winding up its affairs following the Closing.

ARTICLE 3

PURCHASE PRICE

3.1 Purchase Price.

The purchase price for the purchase, sale, assignment and conveyance of Seller's right, title and interest in, to and under the Assets shall consist of the following (collectively, the "Base Purchase Price"):

- (a) cash in an amount equal to ONE HUNDRED FIFTEEN MILLION, FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$115,500,000); and
- (b) the assumption of the Assumed Liabilities.

Notwithstanding the foregoing or anything to the contrary in this Agreement, (i) the Base Purchase Price shall be adjusted as provided in Sections 8.11 through 8.13 hereof (as adjusted, the "Purchase Price") and (ii) the cash components of the Purchase Price shall be delivered by Buyer subject to the provisions set forth in Section 4.2.

3.2 Deposit.

No later than three (3) Business Days following the Execution Date, Buyer shall deposit with JPMorgan Chase Bank, N.A. ("Escrow Agent"), pursuant to that certain escrow agreement by and among Seller, Buyer and Escrow Agent, a deposit in the amount of FIVE MILLION, SEVEN HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$5,775,000) (the "Deposit"). The Deposit shall not be subject to any lien, attachment, trustee process, or any other judicial process of any creditor of Seller or Buyer. If Closing occurs, the Parties shall cause the Escrow Agent to release the Deposit to Seller and the Deposit shall be credited against the amount required to be paid by Buyer to Seller at Closing. If this Agreement is terminated by Seller prior to Closing pursuant to Section 11.1(c)(i), or the conditions to the obligations of Buyer to consummate the Closing set forth in Article 9 shall have been satisfied by Seller or waived by Buyer, but Buyer shall have failed to perform its obligations under Section 4.3 after notice thereof by Seller in accordance with Section 11.1(c)(i), then the Deposit shall be released by Escrow Agent to Seller to be retained by Seller as liquidated damages (and not a penalty). In all other circumstances (including if Buyer is not the Successful Bidder, or if the Bankruptcy Court does not approve the Sale Order or Bidding Procedures Order), if this Agreement is terminated prior to Closing for any other reason, then the Parties shall cause the Escrow Agent to release the Deposit to Buyer within two (2) Business Days of such termination.

ARTICLE 4

CLOSING

4.1 Closing Date.

Upon the terms and subject to the conditions hereof, the closing of the sale of the Assets and the assumption of the Assumed Liabilities contemplated hereby (the "Closing") shall take place at 10:00 a.m. Central time, either by electronic exchange of documents with originals of recordable documents to be provided by FedEx (or other national overnight courier) or, if

either Party so desires, at the office of Seller at Samson Plaza, Two West Second Street, Tulsa, Oklahoma 74103 (or at such other location as the Parties may mutually agree), no later than three (3) Business Days following the date on which the conditions set forth in Article 9 and Article 10 have been satisfied or (if permissible) waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or (if permissible) waiver of such conditions). The date and time at which the Closing actually occurs is hereinafter referred to as the "Closing Date."

4.2 Payment on the Closing Date.

Subject to satisfaction or (if permissible) waiver of the conditions set forth in Article 9 and Article 10, at the Closing, (a) Buyer shall pay (or cause to be paid) the cash components of the Purchase Price, less the Deposit, by wire transfer of immediately available funds to an account specified in writing by Seller prior to the Closing Date, and (b) as set forth in Section 3.2, the Parties shall cause the Escrow Agent to release the Deposit to Seller.

4.3 Buyer's Deliveries.

At the Closing, Buyer shall deliver or cause to be delivered to Seller (or such other Persons where so designated):

(a) the cash consideration referenced in Section 3.1(a) to Seller in accordance with Section 4.2;

(b) the Assumption Agreement, duly executed by Buyer;

(c) a copy of Buyer's Constitution, adopted by the Southern Ute Indian Tribe and approved November 4, 1936, as amended October 1, 1975 and August 27, 1991;

(d) a resolution of the Tribal Council of the Southern Ute Indian Tribe, evidencing Buyer's authority to consummate the transactions contemplated hereunder;

(e) a certificate of the recording secretary of Buyer or similar representative of the Tribe, dated the Closing Date, in form and substance reasonably satisfactory to Seller, certifying (i) that there have been no amendments to the Constitution of Buyer since the date of delivery pursuant to Section 4.3(c) and that the Tribe continues to be a federally recognized Indian tribe as of the Closing Date, (ii) that Buyer is authorized to execute and perform its obligations under the Transaction Documents to which Buyer is a party; and (iii) to the incumbency and signatures of the Chief Operating Officer or other authorized representative of Buyer executing the Transaction Documents;

(f) each other Transaction Document to which Buyer is a party, duly executed (and acknowledged, where applicable) by Buyer, including the Assignment, letters-in-lieu of transfer orders, change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements, and any other applicable forms and declarations required by federal and state agencies relative to Buyer's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets;

(g) the certificates of Buyer to be received by Seller pursuant to Sections 10.1 and 10.3;

(h) a counterpart of the Preliminary Settlement Statement executed by Buyer;

(i) evidence (including evidence of satisfaction of all applicable bonding or insurance requirements) as Seller may reasonably request demonstrating that Buyer is qualified with the applicable Governmental Authorities and pursuant to any applicable operating agreement to succeed Seller as the owner and, where applicable, the operator of the Assets; and

(j) such other assignments and other good and sufficient instruments of assumption and transfer, in form reasonably satisfactory to Seller, as Seller may reasonably request to transfer and assign the Assumed Liabilities to Buyer.

4.4 Seller's Deliveries.

At the Closing, Seller shall deliver to Buyer:

(a) the Assignment and each other Transaction Document to which Seller is a party (including letters-in-lieu of transfer orders, change of operator forms as required under the applicable operating agreements in form and substance reasonably acceptable to both Buyer and Seller, and any other forms and declarations required by federal and state agencies relating to Buyer's assumption of operations and plugging and abandonment Liabilities with respect to the Assets), duly executed (and acknowledged, where applicable) by Seller and the applicable Transferring Subsidiaries;

(b) special warranty deeds conveying the real property, improvements and fixtures and all appurtenances thereto, included in the Miscellaneous Corporate Property, duly executed (and acknowledged, where applicable) by Seller and the applicable Transferring Subsidiaries;

(c) the Assumption Agreement, duly executed by Seller;

(d) a certified copy of the Sale Order and case docket reflecting that the Sale Order is in effect and has not been stayed;

(e) the certificates of Seller to be received by Buyer pursuant to Sections 9.1 and 9.2;

(f) a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code §1445, stating that Seller is not a "foreign person" as defined therein;

(g) a counterpart of the Preliminary Settlement Statement executed by Seller; and

(h) such bills of sale, deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in form reasonably satisfactory to Buyer, as Buyer may reasonably request to vest in Buyer all the right, title and interest of Seller in, to or under any or all the Assets.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as disclosed in the Disclosure Schedules attached hereto or any Seller SEC Documents, Seller, on behalf of itself and each of the Transferring Subsidiaries, represents and warrants the following to Buyer:

5.1 Organization and Good Standing.

Seller, and each Transferring Subsidiary, is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller, and each Transferring Subsidiary has the requisite corporate power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Seller, and each Transferring Subsidiary, is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary, except for such failures to be so qualified or licensed or in good standing as would not, individually or in the aggregate, reasonably be expected to be material to the Assets and Assumed Liabilities, taken as a whole, or impair, prevent, or materially delay the ability of Seller and Transferring Subsidiaries to consummate the Closing.

5.2 Authority; Validity; Governmental Authority Consents.

Seller, and each Transferring Subsidiary, has, subject to requisite Bankruptcy Court approval, the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which Seller, or such Transferring Subsidiary, is a party and to consummate the transactions contemplated hereby and thereby, and, subject to requisite Bankruptcy Court approval, the execution, delivery and performance of this Agreement and such other Transaction Documents by Seller or such Transferring Subsidiary and the consummation by Seller or such Transferring Subsidiary of the transactions contemplated herein and therein have been duly and validly authorized by all requisite corporate action. This Agreement has been duly and validly executed and delivered by Seller and each other Transaction Document required to be executed and delivered by Seller and each Transferring Subsidiary at the Closing will be duly and validly executed and delivered by Seller or such Transferring Subsidiary at the Closing. Subject to requisite Bankruptcy Court approval, this Agreement and the other Transaction Documents constitute, with respect to Seller and where applicable, each Transferring Subsidiary, the legal, valid and binding obligations of Seller or such Transferring Subsidiary, enforceable against Seller or such Transferring Subsidiary in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Subject to requisite Bankruptcy Court approval, except for (a) entry of the Sale Order, (b) notices, filings and consents required in connection with the Bankruptcy Case, (c) any applicable notices, filing, consents or approvals under any applicable antitrust, competition or trade regulation Legal Requirements and (d) the notices, filings and consents set forth on Disclosure Schedule 5.2, neither Seller nor any Transferring Subsidiary is required to give any notice to, make any filing with or obtain any consent from any Governmental Authority in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the transactions contemplated hereby and thereby, except as would not, individually or in the aggregate, reasonably be expected to be material to the Assets and Assumed Liabilities, taken as a whole, or impair, prevent, or materially delay the ability of Seller and Transferring Subsidiaries to consummate the Closing.

5.3 No Conflict.

When the consents and other actions described in Section 5.2, including requisite Bankruptcy Court approval, have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Seller or any Transferring Subsidiary under (a) any agreement, indenture, or other instrument to which Seller or such Transferring Subsidiary is bound, (b) the certificate of incorporation, bylaws or other governing documents of Seller or such Transferring Subsidiary, (c) any Order or (d) any Legal Requirement, except for such failures to be so qualified or licensed or in good standing as would not, individually or in the aggregate, reasonably be expected to be material to the Assets and Assumed Liabilities, taken as a whole, or impair, prevent, or materially delay the ability of Seller and Transferring Subsidiaries to consummate the Closing.

5.4 Material Assigned Contracts.

(a) Disclosure Schedule 5.4 lists all Material Assigned Contracts in effect as of the Execution Date, to which Seller or a Transferring Subsidiary is a party or by which its interests in the Assets are bound, (b) all Material Assigned Contracts are in full force and effect, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity and (ii) as would not, individually or in the aggregate, reasonably be expected to be material to the Assets and Assumed Liabilities, taken as a whole, and (c) except as related to or arising out of or as a result of the Bankruptcy Case and subject to the entry of the Sale Order and the assumption by Seller of the same in accordance with applicable Legal Requirements (including the satisfaction of any applicable Cure Costs), no default or breach (or event that, with notice or lapse of time, or both, would become a default or breach) of any such Material Assigned Contracts has occurred or is continuing on the part of Seller.

5.5 Permits.

Except as set forth on Disclosure Schedule 5.5, as of the Execution Date, (a) Seller has not received written notice of default under any Permit and (b) no violations exist in respect of such Permits, except as would not, individually or in the aggregate, reasonably be expected to be material to the Assets and Assumed Liabilities, taken as a whole, or impair, prevent, or materially delay the ability of Seller and Transferring Subsidiaries to consummate the Closing.

5.6 Wells; Plug and Abandon Notice.

As of the Execution Date, except as set forth on Disclosure Schedule 5.6, there are no Wells (other than any water well constituting a Well) (a) in respect of which Seller or any Transferring Subsidiary has received an order from any Governmental Authority requiring that such Wells be plugged and abandoned or (b) that are neither in use for purposes of production or injection nor suspended or temporarily abandoned in accordance with applicable Legal Requirements that are required to be plugged and abandoned in accordance with applicable

Legal Requirements but have not been (or are not in the process of being) plugged and abandoned.

5.7 Imbalances.

All material Imbalances relating to the Assets operated by Seller or any Transferring Subsidiary are reflected in Disclosure Schedule 5.7 as of the date stated therein.

5.8 AFEs.

Disclosure Schedule 5.8 contains a list, true, correct and complete as of the date set forth therein, of all material authorities for expenditures (collectively, “AFEs”) for capital expenditures with respect to the Assets in excess of One Hundred Thousand Dollars (\$100,000), net to Seller’s or the applicable Transferring Subsidiary’s interest, that have been proposed by any Person having authority to do so (including internal AFEs of Seller or any Transferring Subsidiary not delivered to third parties) or of which Seller otherwise has Knowledge.

5.9 Non-Consent Operations.

Except as disclosed on Disclosure Schedule 5.9, no operations are being conducted or have been conducted on the Properties with respect to which Seller or a Transferring Subsidiary has elected to be a non-consenting party under the applicable operating agreement and with respect to which all of Seller’s or such Transferring Subsidiary’s rights have not yet reverted to it.

5.10 Hedging.

There are no futures, options, swaps or other derivatives with respect to the sale of Hydrocarbons from the Assets that are or will be binding on Buyer or the Assets at any time after the Closing Date.

5.11 Preferential Purchase Rights.

Disclosure Schedule 5.11 lists all Preferential Purchase Rights to which any Assets are subject, which would be triggered by this Agreement and to which a notice would be required under the terms thereof due to the Parties entering into this Agreement.

5.12 Suspense Funds.

Disclosure Schedule 5.12 sets forth a list, true, complete and correct as of the date set forth therein, of all Suspense Funds and the name or names of the parties to whom such funds are owed, together with information in reasonable detail regarding the Wells to which such Suspense Funds are attributable.

5.13 Intellectual Property.

To Seller’s Knowledge, except as set forth on Schedule 2.1(b)(xiii), Seller owns no Intellectual Property related to or used in connection with the ownership or operation of the Assets that is material to Seller’s business, taken as a whole.

5.14 Taxes.

Seller has filed all material Tax Returns required to be filed, and has paid all Taxes shown on any such Tax Return as owing. Except as set forth on Disclosure Schedule 5.14 and as would not result in an Assumed Liability, no examination of any such Tax Return of Seller is currently in progress by any Governmental Authority. Seller has no Knowledge that

any examination has been scheduled or threatened, or of any facts or circumstances which would suggest to a reasonable person that an examination is otherwise likely to occur.

5.15 Legal Proceedings.

Except for the Bankruptcy Case and any adversary proceedings or contested matters commenced in connection therewith (each of which Seller has disclosed and will continue to promptly disclose in writing to Buyer), or as set forth on Disclosure Schedule 5.15A (Excluded Litigation) or Disclosure Schedule 5.15B (Assumed Litigation), there is no Proceeding, appeal or Order pending, outstanding or, to Seller's Knowledge, threatened, that seeks to appeal, stay, restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby, the Sale Motion or the Sale Order, that would, individually or in the aggregate, reasonably be expected to be material to the Assets and Assumed Liabilities, taken as a whole, or impair, prevent, or materially delay the ability of Seller and Transferring Subsidiaries to consummate the Closing.

5.16 Labor Matters.

With respect to the Applicable Employees of Seller and its Subsidiaries, (a) there are no collective bargaining agreements or collective bargaining relationships to which Seller or its Subsidiaries are a party, (b) there is no pending or, to Seller's Knowledge, threatened, strike, slowdown, picketing or work stoppage, and no such dispute has occurred within the past five (5) years, (c) to Seller's Knowledge, there is no pending application for certification of a collective bargaining agent filed with any Governmental Authority and no such filing is threatened and (d) to Seller's Knowledge, no union organizing activities are underway or threatened and no such activities have occurred in the past five (5) years.

5.17 Employee Benefits.

Disclosure Schedule 5.17 sets forth a true and complete list in all material respects of each (a) deferred compensation plan, (b) incentive compensation plan, (c) equity compensation plan, (d) "welfare" plan, fund or program (within the meaning of Section 3(1) of ERISA), (e) "pension" plan, fund or program (within the meaning of Section 3(2) of ERISA), (f) "employee benefit plan" (within the meaning of Section 3(3) of ERISA), (g) employment (other than offer letters entered into in the ordinary course of business), termination, severance or "change in control" agreement, and (h) other employee benefit plan, fund, program, agreement or arrangement, in each case, that is sponsored, maintained or contributed to or required to be contributed to by Seller or any of the Transferring Subsidiaries or by any trade or business, whether or not incorporated, that together with Seller would be deemed a "single employer" within the meaning of Section 4001(b) of ERISA (an "ERISA Affiliate"), or to which Seller or any ERISA Affiliate (including for this purpose any of the Transferring Subsidiaries) is a party, in each case, for the benefit of any Applicable Employee (each such plan, whether or not material, is referred to herein as a "Benefit Plan").

5.18 No Take-or-Pay Obligations.

Except as set forth on Disclosure Schedule 5.18, Seller is not obligated by virtue of any material take-or-pay payment, advance payment or other similar payment (other than gas balancing arrangements) to deliver Hydrocarbons, or proceeds from the sale thereof, attributable to the Assets at some future time without receiving payment therefor at or after the time of delivery.

5.19 Payments.

Except as set forth on Disclosure Schedule 5.19, and excluding the Suspense Funds, all material delay rentals, royalties, shut-in royalties, overriding royalties, compensatory royalties and other payments due with respect to the Properties, in each case, to the extent attributable to the period of time prior to the Execution Date, have been properly and fully paid.

5.20 Environmental Matters

Except as set forth on Disclosure Schedule 5.20, to Seller's Knowledge, except as would not be reasonably expected to be material to the Assets or Assumed Liabilities:

(a) Seller, and each applicable Transferring Subsidiary, possesses and is in compliance with all Permits required under Environmental Laws for the ownership and operation of the Properties and Equipment at the Properties;

(b) with respect to Seller's or any applicable Transferring Subsidiary's operation of the Properties and Equipment at the Properties, neither Seller nor such Transferring Subsidiary has received any written notice of a violation of applicable Environmental Laws from any Governmental Authority, the subject of which is unresolved as of the Execution Date, and neither Seller nor any Transferring Subsidiary is aware of any failure to comply, or of the Assets to comply, with applicable Environmental Laws;

(c) Neither Seller nor any Transferring Subsidiary has received any written notice of potential liability for a release of Hazardous Substances, or liability for any investigatory, remedial or corrective obligation arising under any Environmental Laws, in each case with respect to the Properties or the Equipment at the Properties, the subject of which is unresolved as of the Execution Date, and neither Seller nor any Transferring Subsidiary is aware of any such potential liability; and

(d) there is no Proceeding or Order pending, outstanding or that has been threatened against Seller or any applicable Transferring Subsidiary pursuant to any Environmental Law with respect to the Properties or Equipment at the Properties or Seller's or such Transferring Subsidiary's operation of the Properties or the Equipment at the Properties.

5.21 Title Matters.

Seller and the Transferring Subsidiaries have, as of the Execution Date (and will have at Closing), and Seller and the Transferring Subsidiaries shall convey to Buyer at Closing, Defensible Title to the Assets against all Persons.

5.22 Brokers or Finders.

Seller has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Buyer is or will become liable, except to the extent that such fees, commissions and other similar payments constitute Assumed Liabilities.

5.23 Cure Costs.

There are no cure, reinstatement or similar costs or expenses relating to the assignment and assumption of the Assigned Contracts or Assigned Leases and Interests

(collectively, “Cure Costs”) to which Seller or any Transferring Subsidiary is a party and which are included in the Assets.

5.24 Materiality Qualifier for Non-Operated Assets.

To the extent that Seller has made any representations or warranties in this Article 5 in connection with matters relating to non-operated Assets, each and every such representation and warranty shall be deemed to be qualified by the phrase “Except as would not, individually or in the aggregate, reasonably be expected to be material to the Assets and Assumed Liabilities, taken as a whole, or impair, prevent, or materially delay the ability of Seller and Transferring Subsidiaries to consummate the Closing.”

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1 Organization and Good Standing.

Buyer is a federally recognized Indian tribe. Buyer has the requisite power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. To the extent so required, Buyer is duly qualified or licensed to do business in the State(s) where the Assets are located.

6.2 Authority; Validity; Consents.

Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated herein have been duly and validly authorized by all requisite action of the Southern Ute Indian Tribal Council, which is the governing body for Buyer. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document to which Buyer is a Party will be duly and validly executed and delivered by Buyer, as applicable, at the Closing. This Agreement and the other Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except in each case as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors’ rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Buyer is not or will not be required to give any notice to, make any filing with, or obtain any consent or approval from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a Party or the consummation or performance of any of the transactions contemplated hereby or thereby, except for such notices, filings, consents and approvals, the failure of which to provide, make or obtain, would not, individually or in the aggregate, affect Buyer’s ability to perform its obligations under this Agreement or any other Transaction Documents or to consummate the transactions contemplated hereby or thereby.

6.3 No Conflict.

When the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Buyer under (a) any agreement, indenture or other instrument to which it is bound, (b) the Constitution of Buyer, as applicable, (c) any Order or (d) any Legal Requirement.

6.4 Availability of Funds.

As of the Closing, Buyer will have sufficient cash in immediately available funds (without giving effect to any unfunded financing, regardless of whether any such financing is committed) to pay the Purchase Price, all costs, fees and expenses to be paid by Buyer that are necessary to consummate the transactions contemplated by this Agreement and the other Transaction Documents, and to pay, perform, discharge or otherwise satisfy as and when due the Assumed Liabilities. Buyer's ability to consummate the transactions contemplated hereby is not contingent upon its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing.

6.5 Litigation.

There are no Proceedings or Orders pending or, to the Knowledge of Buyer, threatened against Buyer, that seek to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby or that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.6 Bankruptcy.

There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by, or to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates.

6.7 Brokers or Finders.

Neither Buyer nor any Person acting on behalf of Buyer has paid or become obligated to pay any fee or commission to any broker, finder, investment banker, agent or intermediary for or on account of the transactions contemplated by this Agreement for which Seller is or will become liable.

6.8 Knowledge and Experience.

Buyer (a) is engaged in the business of exploring for and producing Hydrocarbons as an ongoing business and (b) is purchasing the Assets for its own account for investment purposes and not with the intent to resell the Assets in violation of any federal or state securities laws. Buyer is an experienced and knowledgeable investor in oil and gas properties, is knowledgeable with respect to the tax ramifications associated therewith and herewith, has the financial and business expertise to fully evaluate the merits and risks of the transactions covered by this Agreement and has relied solely upon the basis of its own independent investigation of the Assets for all purposes (including the geologic and geophysical characteristics of the Assets, the estimated Hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto). In acquiring the Assets, Buyer is acting in the conduct of its

own business and not under any specific contractual commitment to any third party, or any specific nominee agreement with any third party, to transfer to, or to hold title on behalf of, such third party, with respect to all or any part of the Assets. Buyer acknowledges that it has had the opportunity to seek the advice of persons it deemed appropriate concerning the consequences of the provisions of this Agreement and hereby waives any and all rights to claim that it is an unsophisticated investor in oil and gas properties.

6.9 Qualification to Assume Operatorship.

At Closing, Buyer will be qualified to own and, where applicable, assume operatorship of the Assets in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated by this Agreement will not cause Buyer to be disqualified as such an owner or operator. To the extent required by the applicable state, tribal and federal Governmental Authorities, Buyer currently has, and will continue to maintain, lease bonds, area-wide bonds or any other surety bonds or insurance policies as may be required by, and in accordance with, any Governmental Authorities with jurisdiction over the ownership or operation of such Assets or any operating agreement.

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1 Access and Reports.

(a) Subject to applicable Legal Requirements, upon receipt of written notice from Buyer of any such activities no less than two (2) Business Days in advance, Seller shall (and shall cause its Subsidiaries to) afford Buyer's officers and other authorized Representatives reasonable access during normal business hours to Seller's employees, properties, books, Contracts and Records, including but not limited to books and records (other than Excluded Records) and, to the extent possible through Seller's use of reasonable best efforts, to Seller's customers and vendors. During such period, Seller shall use commercially reasonable, good faith efforts to furnish promptly to Buyer all information concerning the Assets as may reasonably be requested; *provided, however*, such access shall not unreasonably interfere with Seller's ordinary conduct of business or the operation of the Assets, and at all times during such access and to the extent desired by Seller, Buyer's authorized Representatives shall be accompanied by at least one (1) Representative of Seller. All requests for information made pursuant to this Section 7.1 shall be submitted in accordance with Section 13.3. All such information shall be governed by the terms of the Non-Disclosure Agreement. No investigation pursuant to this Section 7.1 or by Buyer or its Representatives at any time prior to or following the Execution Date shall affect or be deemed to modify any representation or warranty made by Seller herein.

(b) This Section 7.1 shall not require Seller to permit any access to, or to disclose (i) any information that, in the reasonable, good faith judgment (after consultation with counsel, which may be in-house counsel) of Seller, is reasonably likely to result in any violation of any Legal Requirement or any Contract to which Seller is a party or cause any privilege (including attorney-client privilege) that Seller would be entitled to assert to be undermined with respect to such information and such undermining of such privilege could, in Seller's good faith judgment (after consultation with counsel, which may be in-house counsel), adversely affect in any material respect Seller's position in any pending or, what Seller believes in good faith (after

consultation with counsel, which may be in-house counsel) could be, future litigation or (ii) if Seller, on the one hand, and Buyer or any of its Affiliates, on the other hand, are adverse parties in a litigation, any information that is reasonably pertinent thereto; *provided* that, in the case of clause (i), the Parties shall cooperate in seeking to find a way to allow disclosure of such information to the extent doing so (1) would not (in the good faith belief of Seller (after consultation with counsel, which may be in-house counsel)) be reasonably likely to result in the violation of any such Legal Requirement or Contract or be reasonably likely to cause such privilege to be undermined with respect to such information or (2) could reasonably (in the good faith belief of Seller (after consultation with counsel, which may be in-house counsel)) be managed through the use of customary “clean-room” arrangements pursuant to which non-employee Representatives of Buyer could be provided access to such information.

(c) The information provided pursuant to this Section 7.1 shall be used solely for the purpose of the transactions contemplated by this Agreement, and such information shall be kept confidential by Buyer in accordance with, and Buyer shall otherwise abide by and be subject to the terms and conditions of, the Non-Disclosure Agreement.

(d) BUYER SHALL DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS EACH MEMBER OF THE SELLER GROUP FROM AND AGAINST ANY AND ALL LIABILITIES THAT ANY BUYER PARTY MAY ASSERT AGAINST A MEMBER OF THE SELLER GROUP, BASED UPON INJURY TO PERSON, INCLUDING DEATH, OR TO PROPERTY, ARISING IN ANY MANNER WHATSOEVER FROM ANY INSPECTION BY BUYER OF THE ASSETS PRIOR TO THE CLOSING DATE, **WHETHER OR NOT BASED UPON STRICT LIABILITY OR CAUSED BY THE SOLE OR CONCURRENT NEGLIGENCE (WHETHER ACTIVE OR PASSIVE) OF ANY MEMBER OF THE SELLER GROUP, UNLESS SUCH INJURY WAS OCCASIONED SOLELY BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF THE SELLER GROUP.**

7.2 Operations Prior to the Closing Date.

Seller covenants and agrees that after the Execution Date and prior to the Closing, except (v) as expressly contemplated by this Agreement, (w) as disclosed in Schedule 7.2, (x) with the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), (y) as otherwise required by Legal Requirements and disclosed to Buyer in writing, and (z) as ordered by the Bankruptcy Court or limited by restrictions or limitations under the Bankruptcy Code on chapter 11 debtors:

(a) Seller shall:

(i) use commercially reasonable efforts, taking into account Seller’s status as debtor in possession, to maintain and operate the Assets operated by Seller as a reasonably prudent operator or cause such Assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) maintain insurance on and in connection with the Assets as would a reasonably prudent operator in the ordinary course of business;

(iii) pay or cause to be paid all bonuses and rentals, royalties, overriding royalties, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred with respect to the Assets operated by Seller except (A)

royalties held in suspense as a result of title issues and that do not give any third party a right to cancel an interest in any Assets operated by Seller, and (B) expenses or royalties being contested in good faith, unless the nonpayment of such contested expenses or royalties could result in the termination of an Assigned Lease and Interest, in which case Seller will notify Buyer and obtain Buyer's approval prior to withholding such payment;

(iv) maintain books, accounts and records relating to the Assets in accordance with past custom and practice;

(v) maintain the personal property comprising any part of the Assets operated by Seller in at least as good a condition as it is on the date hereof, subject to ordinary wear and tear; and

(vi) use commercially reasonable efforts, taking into account Seller's status as debtor in possession, to retain Seller's Employees who are in good standing and are necessary to operate the Assets as they are currently being operated.

(b) Seller shall not:

(i) abandon any Asset (except any abandonment of Leases to the extent any such Leases terminate pursuant to their terms);

(ii) other than as disclosed on Disclosure Schedule 5.8, commence, propose, or agree to participate in any single operation with respect to the Wells or Assigned Leases and Interests with an anticipated cost in excess of One Hundred Thousand Dollars (\$100,000) net to the interest of Seller, except for emergency operations taken in the face of risk to life, injury, property or the environment, operations scheduled under the AFEs, or operations required by any Governmental Authority (including with respect to plugging and abandonment obligations);

(iii) terminate, cancel, or materially amend or modify any Assigned Contract or Assigned Lease and Interest;

(iv) sell, lease, encumber, or otherwise dispose of all or any portion of any Assets, except sales of Hydrocarbons in the ordinary course of business;

(v) grant to any New Employee any increase in compensation except in the ordinary course of Seller's business and consistent with past practice; or

(vi) enter into any agreement or commitment to take any action prohibited by this Section 7.2(b).

7.3 Reasonable Best Efforts.

(a) Seller, on the one hand, and Buyer, on the other hand, shall use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including using reasonable best efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article 9 and Article 10 to be satisfied, (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and any other approvals, consents, licenses, permits, waivers or other authorizations necessary for Closing and the making of all necessary registrations,

declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all reasonable steps as may be necessary to avoid any Proceeding by any Governmental Authority; *provided* that anything in this Agreement or otherwise to the contrary notwithstanding, Buyer shall not be required to agree to the sale, divestiture or disposition of any of the assets or businesses of Buyer or any of its Subsidiaries for any reason, including without limitation to avoid the entry, or to effect the dissolution, of any injunction, temporary restraining Order or other Order in any suit or Proceeding, which would otherwise have the effect of preventing, delaying or restricting the consummation of the transactions contemplated in this Agreement, and (iii) the execution or delivery of any additional instruments consistent with the terms of this Agreement as are necessary to consummate the transactions contemplated hereby and to fully carry out the purposes of this Agreement. Additionally, (1) with regard to each Well operated by a party other than Seller, Buyer shall, as soon as reasonably practicable after the Closing Date, deliver to the applicable operator of such Well a copy of the recorded Assignment evidencing the conveyance of Seller's interest in such Well to Buyer, as well as any other documentation reasonably requested by such operator to evidence such conveyance and (2) Seller reasonably shall cooperate with Buyer, including without limitation making Seller's Employees and Records available to Buyer through the Closing Date upon reasonable advance written notice from Buyer, to assist Buyer in successfully transitioning electronic records from Seller to Buyer in formats workable to Buyer, including Seller's Records for and relating to divisions of interest and expense decks.

(b) Seller, on the one hand, and Buyer, on the other hand, (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the transactions contemplated hereby, and any filing, notification or request for approval and (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, neither of Parties shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the transactions contemplated hereby, unless such Party consults with the other Party in advance and, to the extent permitted by any such Governmental Authority, gives the other Party the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable Legal Requirements, each of Buyer, on the one hand, and Seller, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and its respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the transactions contemplated hereby (excluding documents and communications which are subject to preexisting non-disclosure agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the transactions contemplated hereby and any such filing, notification or request for approval.

(c) Subject to the terms and conditions of this Agreement, Buyer shall take any and all steps reasonably necessary to avoid or eliminate any impediments under any applicable antitrust, competition or trade regulation laws that may be asserted by any

Governmental Authority with respect to the transactions contemplated hereby so as to enable the Closing to occur as soon as reasonably possible, *provided* that anything in this Agreement or otherwise to the contrary notwithstanding, Buyer shall not be required to agree to the sale, divestiture or disposition of such assets or businesses of Buyer or any of its Subsidiaries as may be required in order to avoid the entry, or to effect the dissolution, of any injunction, temporary restraining order or other order in any suit or proceeding, which would otherwise have the effect of preventing, delaying or restricting the consummation of the transactions contemplated in this Agreement.

7.4 Bankruptcy Court Approval.

(a) Seller and Buyer acknowledge that this Agreement and the sale of the Assets and the assumption and assignment of the Assigned Contracts and Assigned Leases and Interests are subject to Bankruptcy Court approval. Seller and Buyer acknowledge that (i) to obtain such approval, Seller must demonstrate that it has taken reasonable steps to obtain the highest and otherwise best offer possible for the Assets, and that such demonstration shall include giving notice of the transactions contemplated by this Agreement to creditors and other interested parties as ordered by the Bankruptcy Court, and, if necessary, conducting the Auction, and (ii) Buyer must provide adequate assurance of future performance as required under the Bankruptcy Code with respect to each Assigned Contract and Assigned Lease and Interest.

(b) In the event an appeal is taken or a stay pending appeal is requested, from either the Bidding Procedures Order or the Sale Order, Seller shall promptly notify Buyer in writing of such appeal or stay request and shall provide to Buyer promptly a copy of the related notice of appeal or Order of stay. Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from either of such Orders. Seller shall promptly defend any motion for reconsideration, or to alter, amend, stay or otherwise challenge the Sale Order or any appeal of the Sale Order, and shall prosecute such defense until the Sale Order is final and not subject to appeal.

(c) From and after the Execution Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.1, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Bidding Procedures Order, Sale Order or this Agreement. If Buyer is the Successful Bidder at the Auction, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order or this Agreement.

7.5 Bankruptcy Filings.

From and after the Execution Date and until the Closing Date, Seller shall use commercially reasonable efforts to deliver to Buyer copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement and the transactions contemplated hereby, or to Buyer or its respective agents or representatives, that are to be filed by Seller in the Bankruptcy Case in advance of its filing, in each case, if reasonably practicable under the circumstances before the filing of such papers. Notwithstanding the foregoing, Seller's failure to comply with this Section 7.5 shall not constitute a breach under this Agreement, *provided* that upon discovery of such failure (or the

termination of any emergency circumstance that prompted such failure), Seller shall use commercially reasonable efforts to remedy the failure to comply with this Section 7.5.

7.6 Updates and Amendments of Exhibits, Schedules and Disclosure Schedules.

(a) Until the Auction (if any), Seller shall have the right to amend, modify and/or supplement **Exhibit C**, **Exhibit E**, Schedule 2.2(g) and Schedule 2.2(h), in each case, as applicable, in order to reflect (i) any new Contracts or Leases taken by Seller or (ii) the deletion (in accordance with the terms of this Agreement) of any Contracts or Leases from any such Exhibit or Schedule.

(b) Until the Auction (if any), and in any event promptly upon discovery or occurrence, Seller shall amend, modify and/or supplement its Disclosure Schedules with respect to any matters discovered or occurring subsequent to the Execution Date. Such amendments, modifications and/or supplements shall be deemed to have been included in Seller's representations and warranties for all purposes, *provided* that Seller delivers a copy of such amended, modified or supplemented Disclosure Schedules to Buyer promptly upon Seller's discovery or the occurrence leading to such amendment, modification or supplementation.

(c) No later than the close of business on the subsequent Business Day after the Execution Date, the Parties shall have the right to amend, modify and/or supplement the Exhibits and Schedules hereto, in each case, as applicable, in order to correct errors or omissions therein.

7.7 Bidding Procedures.

The bidding procedures to be employed with respect to this Agreement shall be those reflected in the Bidding Procedures Order. Buyer agrees and acknowledges that Seller and its Representatives and Affiliates are and may continue soliciting inquiries, proposals or offers from third parties (the "Potential Bidders") for the Assets in connection with any Superior Proposal pursuant to the terms of the Bidding Procedures Order.

7.8 Cure Costs.

Intentionally omitted.

7.9 Division Order Title Opinions.

No later than ten (10) Business Days following the Execution Date, Seller shall provide Buyer with access during Seller's reasonable business hours to copies of all Division Order Title Opinions for all Assigned Leases and Interests that are in Seller's possession or under Seller's control and for (and with respect to) which Seller is currently billing and paying.

7.10 Governmental Transfer Documents.

At or prior to Closing, Seller shall deliver to Buyer the Governmental Transfer Documents reasonably requested by Buyer and executed by an appropriate officer of Seller.

7.11 Funding of Purchase Price.

Buyer's ability to consummate the transactions contemplated hereby is not contingent upon its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing. Buyer acknowledges and agrees that there shall be no

conditions precedent to the funding of the full amount of the Purchase Price to be paid at Closing pursuant to Section 3.1(a). Buyer acknowledges and agrees that the consummation of, and receipt of proceeds from, any financing is not a condition to Buyer's obligations hereunder.

ARTICLE 8

ADDITIONAL AGREEMENTS

8.1 Taxes.

(a) Any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement ("Transfer Taxes") shall be borne by Buyer. Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

(b) Seller shall retain responsibility for, and shall bear and pay, all ad valorem, property, excise, severance, production or similar Taxes based upon operation or ownership of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom (but excluding, for the avoidance of doubt, income taxes, franchise taxes and Transfer Taxes) (collectively, the "Asset Taxes") assessed with respect to the Assets for (i) any period ending on or prior to the Effective Date and (ii) the portion of any Straddle Period ending on or prior to the Effective Date, and Buyer shall be responsible for and shall bear and pay, all Asset Taxes assessed with respect to the Assets for (i) any period after the Effective Date and (ii) the portion of any Straddle Period after the Effective Date. For purposes of allocation between the Parties of Asset Taxes assessed with respect to the Assets that are payable with respect to any tax periods beginning before and ending after the Effective Date ("Straddle Periods"), the portion of any such taxes that are attributable to the portion of the Straddle Period that ends on or prior to the Effective Date shall (1) in the case of such Asset Taxes that are based upon or related to income or receipts or imposed on a transactional basis such as severance or production taxes, be allocated based on revenues from sales occurring on or before the Effective Date or, in the case of an Asset Tax imposed on a transaction basis, whether the relevant transaction closed on or prior to the Effective Date (which shall be Seller's responsibility) and from and after the Effective Date (which shall be Buyer's responsibility); and (2) in the case of other Asset Taxes, be allocated pro rata per day between the period on or prior to the Effective Date (which shall be Seller's responsibility) and the period after the Effective Date (which shall be Buyer's responsibility). For purposes of clause (1) of the preceding sentence, any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated pro rata per day between the period ending on or prior to the Effective Date and the period beginning at the Effective Date. At the Closing, Asset Taxes with respect to each Asset for the applicable Straddle Period shall be prorated in accordance with the foregoing provisions based on the Asset Tax assessment for such Asset for such Straddle Period, if available, or if otherwise, based on the Asset Taxes paid with respect to such Asset during the preceding Tax period.

(c) With respect to any not yet delinquent Asset Taxes relating to a Tax year ending after the Effective Date, Buyer will assume responsibility for the actual payment of all such Asset Taxes to the applicable Governmental Authority. With respect to any Asset Taxes

relating to a Straddle Period or Pre-Effective Date Tax Period that are delinquent as of the Effective Date, the amount of which is known and not subject to dispute, Buyer shall pay the delinquent amount of such Asset Taxes directly to the applicable Governmental Authority at or promptly after the Closing. The Parties specifically acknowledge and agree (i) that Buyer's sole responsibilities for Taxes are for those Transfer Taxes and Asset Taxes that are the express responsibility of Buyer pursuant to Section 8.1(a) and Section 8.1(b); (ii) that by assuming responsibility for the actual payment of Asset Taxes pursuant to this Section 8.1(c), Buyer is not the actual obligor for and is not liable for any Asset Taxes paid on behalf of Seller; and (iii) that with regard to any Asset Taxes actually paid by Buyer on behalf of Seller pursuant to this Section 8.1(c), Buyer shall be a Paying Party for purposes of Section 8.1(d) hereof.

(d) Seller, on the one hand, or Buyer, on the other hand, as the case may be (the "Reimbursing Party"), shall provide reimbursement for any Tax paid by the other Party (the "Paying Party"), all or a portion of which is the responsibility of the Reimbursing Party, or which represents an overpayment for Taxes by the Paying Party, all in accordance with the terms of this Section 8.1 (which reimbursement, if requested by Buyer, may apply as a Purchase Price adjustment pursuant to Section 8.11(a)(ii) or Section 8.11(b)(iii), as applicable). Within a reasonable time prior to the payment of any such Tax, the Paying Party shall give notice to the Reimbursing Party of the Tax payable and the Paying Party's and Reimbursing Party's respective Liability therefor, although failure to do so will not relieve the Reimbursing Party from its Liability hereunder except to the extent the Reimbursing Party is prejudiced thereby. Any amounts which may become payable from Seller to Buyer pursuant to Section 8.1 shall constitute a super priority administrative expense of Seller under Section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

(e) From and after the Closing, Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Buyer of any federal, state or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Assets are located; *provided, however*, that neither Buyer nor Seller shall be required to disclose the contents of its income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(e) shall be borne by the Party requesting it.

8.2 Allocation of Purchase Price.

The Purchase Price (and all other capitalized costs) shall be allocated among the Assets as set forth on Schedule 8.2, which shall be in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate). The allocation to each Asset is referred to herein as the "Allocated Value" of such Asset, and the general allocation of value described in this Section 8.2 is referred to herein as the "Tax Allocation". Seller and Buyer agree to be bound by the Allocated Values set forth in Schedule 8.2 for purposes of this Agreement. Seller and Buyer each agree to report, and to cause their respective Affiliates to report, the federal, state, and local income and other Tax consequences of

the transactions contemplated herein, and in particular to report the information required by Code §1060(b), and to jointly prepare IRS Form 8594 (Asset Acquisition Statement under Code §1060) as promptly as possible following the Closing Date and in a manner consistent with the Tax Allocation, as may be revised, to take into account subsequent adjustments to the Purchase Price, including any adjustments pursuant to the Agreement to determine the Purchase Price, and shall not take any position for US federal, state and local income tax purposes inconsistent therewith upon examination of any Tax return, in any refund claim, in any tax litigation or investigation, unless required to do so by any Legal Requirement after notice to and discussions with the other Party, or with such other Party's prior consent; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Buyer nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 8.2 shall survive the Closing without limitation.

8.3 Bulk Sales.

The Parties intend that pursuant to section 363(f) of the Bankruptcy Code, the transfer of the Assets shall be free and clear of any Encumbrances arising out of bulk transfer Legal Requirements. The Parties shall take such steps as may be necessary or appropriate to so provide in the Sale Order. In furtherance of the foregoing, each Party hereby waives compliance by the Parties with "bulk sales," "bulk transfers" or similar Legal Requirements in respect of the transactions contemplated by this Agreement or any Transaction Document.

8.4 Payments Received.

Seller and Buyer each agree that after Closing, each will hold in trust and will promptly transfer and deliver to the other when received by it, any cash, checks (with appropriate endorsements, using reasonable efforts not to convert any such checks to cash, so long as such efforts would not cause a check to become stale-dated), or other property that it may receive on or after Closing that belongs to the other Party pursuant to the terms of this Agreement. The recipient will promptly account to the other Party for all such receipts.

8.5 Assigned Contracts and Assigned Leases and Interests: Adequate Assurance and Performance.

(a) With respect to each Assigned Contract and Assigned Lease and Interest, Buyer shall provide adequate assurance as required under the Bankruptcy Code of the future performance by Buyer of each such Assigned Contract or Assigned Lease and Interest. Buyer and Seller agree that they will promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assigned Contracts and the Assigned Leases and Interests, such as furnishing timely requested and factually accurate affidavits and other documents or information for filing with the Bankruptcy Court and making Buyer's and Seller's employees and Representatives available to testify before the Bankruptcy Court. Notwithstanding the foregoing, Seller shall have no obligation under this Agreement (including, for the avoidance of doubt, pursuant to Section 7.3 or this Section 8.5(a)) to provide any assistance with respect to the preparation of any financial information.

(b) Buyer shall pay, perform or otherwise satisfy the Assumed Liabilities from time to time and as and when such Assumed Liabilities become due and payable or are required to be performed or satisfied in accordance with their respective terms.

(c) Without limiting the provisions of Section 8.5(a), Buyer acknowledges that Seller has no duty to maintain any bonds, letters of credit, guarantees, cash deposits and insurance to secure performance or payment under any Assigned Contracts or Assigned Leases and Interests (collectively, “Seller Credit Obligations”) after the Closing, and Buyer agrees to reasonably cooperate with Seller in Seller’s efforts to secure the release of any Seller Credit Obligations posted by Seller, such cooperation to include, if reasonably necessary, the provision by Buyer of a guaranty or letter of credit to secure Buyer’s payment and/or performance under any Assigned Contracts or Assigned Leases and Interests after the Closing. On or before the Closing, Buyer shall obtain, or cause to be obtained in the name of Buyer, replacements for all Seller Credit Obligations. If any Seller Credit Obligation remains outstanding as of the Closing Date, Buyer shall indemnify each member of the Seller Group and hold them harmless against any Losses that the Seller Group may incur under any such Seller Credit Obligations from and after the Effective Date.

8.6 Employee Matters.

(a) New Employees. Buyer shall notify Seller no later than seven (7) Business Days prior to the scheduled Closing Date of those Applicable Employees to whom Buyer intends to offer employment at Closing. Buyer’s decision to offer or not offer employment to any of the Applicable Employees shall be in Buyer’s sole discretion, provided that Buyer commits to make employment offers of Good Positions at Closing to no fewer than a majority of the Applicable Employees who are employed by Seller on the Closing Date. All employment offers made by Buyer will be conditioned upon (i) the occurrence of the Closing and (ii) each such Applicable Employee’s satisfaction of all requirements of Buyer that would apply to any other person to whom Buyer extends an offer of employment, including without limitation (x) satisfactory drug testing; (y) satisfactory background checks; and (z) insurability under Buyer’s automobile and related insurance plans (all conditions under clause (ii) hereof, “Buyer’s Employment Conditions”). Those Applicable Employees to whom offers are made by Buyer pursuant to this Section 8.6(a) and who accept such offers and commence working for Buyer on the Closing Date are referred to herein as “New Employees.” Each Applicable Employee (1) to whom Buyer does not make an offer of employment; (2) who does not accept any offer of employment made by Buyer; (3) does not satisfy Buyer’s Employment Conditions; or (4) is not an active employee as of the Closing Date, shall remain Seller’s (or its applicable Subsidiary’s) sole responsibility and anything in this Agreement or otherwise to the contrary notwithstanding, Buyer shall have no liability to any such Applicable Employees or to Seller in connection with such Applicable Employee. From and after Closing, Buyer shall indemnify each member of the Seller Group and hold them harmless against any Losses that the Seller Group may incur arising solely out of Buyer’s direct employment of the New Employees.

(b) Buyer and Seller intend to use the “standard procedure” under Revenue Procedure 2004-34, whereby each of the Buyer and the Seller shall report on Forms W-2 only those wages paid to the New Employees for the portion of the calendar year that such New Employees were employed by the Buyer and Seller, respectively.

8.7 Post-Closing Books and Records and Personnel.

For five (5) years after the Closing Date (or such longer period as may be required by any Governmental Authority or an ongoing claim or Proceeding), (a) Buyer shall not dispose of or destroy any of the Records received by Buyer as Assets and (b) Buyer shall allow Seller (including, for clarity, any trust established under a chapter 11 plan of Seller or any other successors of Seller) and any of its directors, officers, employees, counsel, representatives, accountants and auditors reasonable access during normal business hours, at Seller's sole expense and upon reasonable advance notice, to all employees and files of Buyer and its respective Subsidiaries and any Records included in the Assets for purposes relating to the Bankruptcy Case, the wind-down of the operations of Seller, the functions of any such trusts or successors, or other reasonable business purposes, and Seller (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall have the right to make copies of any such files, books, records and other materials. Until the closing of the Bankruptcy Case or the liquidation and winding up of Seller's estate, Seller shall preserve and keep the Records and, at Buyer's sole expense, shall make such Records, records, and Seller's personnel available to Buyer as may be reasonably required by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Buyer or any of its Affiliates or in order to enable Buyer to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any such Records during or after the time during which they must be maintained pursuant to this Section 8.7, such Party shall first give ninety (90) days prior written notice to the other Party and such other Party shall have the right at its option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such Records or records, to take possession of the Records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit.

8.8 No Other Representations or Warranties; Disclaimers; NORM.

(a) **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF SELLER OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, SELLER'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER). EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, SELLER FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS. EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY SELLER IS PROVIDED AS A CONVENIENCE,**

AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT (INCLUDING WITHOUT LIMITATION SECTION 5.21) AND IN THE TRANSACTION DOCUMENTS, SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES, (D) ANY INFRINGEMENT BY SELLER OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYER BY OR ON BEHALF OF SELLER (INCLUDING WITHOUT LIMITATION, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.

(b) WAIVER OF CONSUMER AND OTHER RIGHTS: BUYER WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SPECIFICALLY INCLUDING SECTION 17.41 ET SEQ., VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS, OR ANY SIMILAR STATE OR FEDERAL LAW. AFTER AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER ACKNOWLEDGES THAT THE DISCLAIMERS AND WAIVERS GIVEN IN AND UNDER THIS AGREEMENT SHALL BE CONSIDERED MATERIAL AND INTEGRAL PARTS OF THIS AGREEMENT, WITH CONSIDERATION GIVEN THEREFOR, AND ACKNOWLEDGES THAT ALL DISCLAIMERS AND WAIVERS ARE "CONSPICUOUS" AND, HAVE BEEN BROUGHT TO THE ATTENTION OF BUYER, AND THAT BUYER HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO ALL DISCLAIMERS AND WAIVERS.

(c) Buyer acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Buyer's own estimate and appraisal of the extent and value of Seller's Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Buyer acknowledges that in entering into this Agreement, it has relied on the aforementioned investigation and on the express representations and warranties of Seller contained in this Agreement and in the Transaction Documents. Buyer hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Seller or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

(d) BUYER ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS. EQUIPMENT AND SITES INCLUDED IN

THE ASSETS MAY CONTAIN NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. FROM AND AFTER THE CLOSING, BUYER SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT AFTER THE EFFECTIVE DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.

8.9 Casualty.

(a) If, after the Execution Date and prior to the Closing, a material part of the Assets suffers a Casualty Loss or if a material part of the Assets is taken in condemnation or under the right of eminent domain or if proceedings for such purposes are pending or threatened, Seller shall promptly give Buyer written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) With regard to a Casualty Loss or condemnation occurring after the Execution Date, without Buyer's prior consent (which shall not be unreasonably withheld, conditioned or delayed), no insurance or condemnation proceeds shall be committed or applied by Seller to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets if the cost to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets is projected to exceed One Hundred Thousand Dollars (\$100,000). To the extent such proceeds are not committed or applied by Seller prior to the Closing Date in accordance with this Section 8.8(b), Seller shall at the Closing pay to Buyer all sums paid to Seller by reason of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by Seller in collecting such proceeds. In addition and to the extent such proceeds have not been committed or applied by Seller in accordance with this Section 8.8(b), in such repair, restoration or replacement, Seller shall transfer to Buyer, at the Closing, without recourse against Seller, all of the right, title and interest of Seller in and to any unpaid insurance or condemnation proceeds arising out of such loss, damage, destruction or taking, less any reasonable costs and expenses incurred by Seller in collecting such proceeds. Any such funds that have been committed by Seller for repair, restoration or replacement as aforesaid shall be paid by Seller for such purposes or, at Seller's option, delivered to Buyer upon Seller's receipt from Buyer of adequate assurance and indemnity that Seller shall incur no liability or expense as a result of such commitment.

(c) Notwithstanding anything to the contrary in this Agreement, (i) at the Closing, the Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Buyer shall pay the Allocated Value therefor, subject to any applicable adjustments under this Agreement, and (ii) Buyer's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Seller's applicable insurance coverage actually recovered by Seller in respect thereof or other sums paid to Seller by third parties (or an assignment of claims

related thereto), which proceeds or other sums shall be payable to Buyer only upon or after the Closing of the transactions contemplated hereby. Seller shall have no other liability or responsibility to Buyer with respect to a condemnation or Casualty Loss, **EVEN IF SUCH CASUALTY LOSS SHALL HAVE RESULTED FROM OR SHALL HAVE ARISEN OUT OF THE SOLE OR CONCURRENT NEGLIGENCE, FAULT, VIOLATION OF A LEGAL REQUIREMENT, OR MISCONDUCT OF SELLER OR ANY MEMBER OF SELLER GROUP.**

8.10 Successor Operator.

Seller shall use its commercially reasonable efforts to support Buyer's efforts to be appointed or to have a designee appointed as the successor operator of those Properties that Seller currently operates. Notwithstanding the foregoing, Seller makes no representations or warranties to Buyer as to the transferability of operatorship of any Properties which Seller currently operates. Rights and obligations associated with operatorship of the Properties are governed by operating agreements or similar agreements and will be determined in accordance with the terms of such agreements. Seller and Buyer shall enter into a subcontract agreement pursuant to which the Parties shall subcontract, without additional charge to Buyer, for the operation of all Wells for which Seller is presently the operator until such time as Buyer is approved as operator for such Wells, the form of which agreement shall be reasonably agreeable to each of Seller and Buyer.

8.11 Preferential Purchase Rights.

(a) Promptly after the Sale Order is entered, Seller shall deliver to each holder of a Preferential Purchase Right a notice that is in material compliance with the contractual provisions applicable thereof and is in form acceptable to Buyer, offering to sell to each such holder the applicable Assets subject to such Preferential Purchase Right in exchange for an amount not less than the Allocated Value of such Asset together with all other amounts required to be paid by each such holder to match Buyer's obligations under this Agreement and the ancillary documents in connection herewith, or, alternatively, seeking such holder's written consent to the assignment of the applicable Assets to Buyer; it being understood and agreed by the Parties that Seller shall not be obligated to make any payments. Seller shall use best commercial efforts to obtain such consents, but shall not be liable if notwithstanding such efforts such consents cannot be obtained.

(b) All Assets that are subject to Preferential Purchase Rights shall be transferred or assigned to Buyer at the Closing, and Buyer shall take title to such Assets subject to such Preferential Purchase Rights. In the event any holder of a valid Preferential Purchase Right thereafter lawfully and timely exercises its Preferential Purchase Right, Buyer shall assign such affected Assets to the holder of such Preferential Purchase Right, and such holder shall pay Buyer all proceeds generated from the exercise of such Preferential Purchase Right.

(c) If a Preferential Purchase Right is not discovered prior to Closing, the affected Asset(s) is conveyed to Buyer at Closing, and such Preferential Purchase Right is validly exercised by the holder thereof after Closing, then Buyer (i) agrees to convey such affected Asset(s) to the person exercising such Preferential Purchase Right on the same terms and conditions under which Seller conveyed such Asset(s) to Buyer (with the purchase price for such Asset(s) being the Allocated Value of the affected Asset(s)) and (ii) shall be entitled to retain all amounts paid by the person exercising such Preferential Purchase Right. In the event of such exercise, Buyer shall prepare, execute and deliver a form of conveyance of such.

8.12 Accounting Adjustments for Revenues and Expenses.

(a) The Base Purchase Price shall be increased by the following (without duplication): (i) an amount equal to the value of all merchantable allowable oil or other liquid Hydrocarbons in storage owned by Seller above a custody transfer point on the Effective Date that is credited to the Assets and for which Seller has not been paid, such value to be the current market price or the price paid, less Taxes and gravity adjustments deducted by the purchaser of such oil or other liquid Hydrocarbons; (ii) an amount equal to the aggregate amount of all expenditures paid in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) which are paid by or on behalf of Seller, are not subject to reimbursement to Seller pursuant to a joint interest billing and are attributable to the period on or after the Effective Date (including any pre-paid charges); (iii) the aggregate amount of all Known Receivables, excluding any amounts owed to Seller or any Transferring Subsidiary that are ninety (90) days or more past due; (iv) all cash call pre-payment amounts set forth on Schedule 8.11(a)(iv) (which the Parties agree shall be updated two (2) Business Days prior to the Closing Date), royalty overpayment amounts and/or future deductions as royalty offsets associated with the Assets as of the Effective Date; and (v) any other amount agreed upon in writing by Buyer and Seller.

(b) The Base Purchase Price shall be decreased by the following (without duplication): (i) the amount of any proceeds received by Seller from the sale of Hydrocarbons, produced from and after the Effective Date, from the Properties (net of royalties and other burdens on Buyer's share of the proceeds from the production of Hydrocarbons not otherwise accounted for hereunder) actually received by Seller; (ii) the amount of the Suspense Funds; (iii) the aggregate amount of all expenditures paid (if any) in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) which are paid by or on behalf of Buyer, are not subject to reimbursement to Buyer pursuant to a joint interest billing and are attributable to the period prior to the Effective Date; (iv) proceeds received by Seller pre-Closing from the exercise of any Preferential Purchase Rights; (v) the damages sustained by Buyer as a result of a breach of Seller's representation and warranty set forth in Section 5.23; and (vi) any other amount agreed upon in writing by Buyer and Seller; and

(c) The Base Purchase Price will be adjusted upward or downward, as applicable, by all Imbalances in existence at or arising after the Effective Date but prior to Closing, including (i) the net Mcf amount of the aggregate Imbalances attributable to Seller's Net Revenue Interest in the Wells as of the Effective Date multiplied by a price per Mcf (adjusted by the most recent average 6-month btu content reported to the State of Colorado) of gas for such Wells equal to the S&P Global Platts-EPNG San Juan IF contract price as of the close of trading on the last Business Day immediately preceding the Effective Date; and (ii) the MMBtu amount of any pipeline Imbalances or unsatisfied throughput obligations attributable to Seller or the Assets for Seller's ownership prior to the Effective Date multiplied by the actual settlement price per MMBtu (upward for over deliveries and downward for under deliveries).

8.13 Initial Adjustment at Closing.

At least five (5) Business Days before the Closing Date, Seller shall provide to Buyer a statement showing its computations, calculated in good faith, of the amount of the adjustments provided for in Section 3.1 above. Buyer and Seller shall attempt to agree upon such adjustments prior to Closing; *provided* that if agreement is not reached, Seller's computation shall be used at Closing, subject to further adjustment under Section 8.13 below. If the amount of adjustments so determined which would result in a credit to Buyer exceeding the amount of adjustments so determined which would result in a credit to Seller, Buyer shall receive a Base Purchase Price reduction at Closing for the amount of such excess, and if the converse is true, then the amount to be paid by Buyer to Seller at Closing shall be increased by the amount of such excess.

8.14 Adjustment Post Closing.

On or before one hundred twenty (120) days after Closing, Buyer and Seller shall review any information which may then be available pertaining to the adjustments provided for in Section 3.1, shall determine if any additional adjustments should be made beyond those made at Closing (whether the same be made to account for expenses or revenues not considered in making the adjustments made at Closing, or to correct errors made in the adjustments made at Closing), and shall make any such adjustments by appropriate payments from Seller to Buyer or from Buyer to Seller. If the Parties fail to agree on final adjustments within such ninety (90) day period, either Party may, within thirty (30) days after the end of such period, submit the disputed items to a nationally-recognized, United States-based independent public accounting firm on which the Parties mutually agree in writing (the "Accounting Referee"); *provided, however*, that the Accounting Referee shall not have performed any material work for either Party or its respective Affiliates within three (3) years of the date hereof. If the Parties are unable to agree upon the designation of a Person or entity as Accounting Referee, then Seller or Buyer, or either of them, may in writing request the Bankruptcy Court to appoint a substitute Accounting Referee and such thirty (30) day period shall be extended until ten (10) Business days after the Bankruptcy Court makes such appointment; *provided* that such Person or entity so appointed shall be a national or regional accounting firm with no prior material relationships with Seller or Buyer or their respective Affiliates and shall have experience in auditing companies engaged in oil and gas exploration and development activities. Any unresolved matters described in this Section 8.13 that are not submitted to the Accounting Referee within such thirty (30) day period shall be deemed waived by the Parties, which waiver shall be final and binding on the Parties and the subject matter thereof shall not be subject to further review or audit. The Parties shall direct the Accounting Referee to resolve the disputes within thirty (30) days (or longer, as provided above) after submission of the matters in dispute. The Accounting Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. Seller and Buyer shall share equally the Accounting Referee's costs, fees and expenses (including attorneys' fees). The final settlement statement, whether as agreed between the Parties or as determined by a decision of the Accounting Referee (the "Final Settlement Statement"), shall be binding on, and non-appealable by, the Parties and not subject to further review or audit. Payment by Buyer or Seller, as applicable, for any outstanding amounts on the Final Settlement Statement shall be made within five (5) Business Days after the date on which all disputes in respect of the Final Settlement Statement are finally resolved (whether by agreement of the Parties or pursuant to the

Accounting Referee's decision). During the period between Closing and the point in time when the Final Settlement Statement has been agreed to by the Parties, or determined by a decision of the Accounting Referee, each Party shall, on a monthly basis, (i) pay over to the other Party any revenue received by it (net of related expenses) with respect to the Assets which is owed to the other Party as set forth in Section 8.11 above, and (ii) deliver any cash, checks with appropriate endorsements (using reasonable best efforts not to convert such checks into cash, so long as such efforts would not cause a check to become stale-dated) or other property that it may receive on or after the Closing which properly belongs to the other Party, and such payments and deliveries shall be considered in determining the Final Settlement Statement. Notwithstanding the foregoing, as of the date that the Final Settlement Statement is agreed to by the Parties, or determined by a decision of the Accounting Referee, the Final Settlement Statement shall be final and binding on the Parties and not subject to further review or audit, and neither Party shall have any further rights or obligations regarding payment of money or delivery of property pursuant to the preceding sentence.

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction by Seller or waiver by Buyer, at or prior to the Closing, of each of the following conditions:

9.1 Accuracy of Representations.

The representations and warranties of Seller set forth in this Agreement shall be true, correct and complete in all material respects (except that those representations and warranties that are qualified as to materiality or Material Adverse Effect or similar expressions shall have been duly performed and complied with in all respects) on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date). Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof. If Buyer determines that there has been a breach or inaccuracy of any of Seller's representations and warranties, it shall use commercially reasonable efforts to provide Seller with notice of such breach or inaccuracy as promptly as reasonably practicable after the determination thereof, so that Seller may attempt to cure such breach or inaccuracy on or before the Closing Date, *provided* that failure to provide such notice shall not relieve Seller of liability for such breach.

9.2 Seller's Performance.

Each covenant and agreement that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or Material Adverse Effect or similar expressions shall have been duly performed and complied with in all respects), and Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

9.3 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated by this Agreement or would be reasonably likely to cause any of such transactions to be rescinded following the Closing.

9.4 Seller's Deliveries.

Each of the deliveries required to be made to Buyer pursuant to Section 4.4 shall have been so delivered.

9.5 Bidding Procedures Order and Sale Order.

The Bankruptcy Court shall have entered the Bidding Procedures Order and the Sale Order, and the Bidding Procedures Order and the Sale Order each shall be final orders in full force and effect and shall not have been modified, amended, rescinded or vacated in any material respect (other than with Buyer's written approval) and shall not be subject to a motion for reconsideration or to alter or amend or modify or subject to any appeal or to a stay pending appeal.

9.6 Cure of Defaults.

Seller shall be current in its post-petition obligations under all Contracts and Leases designated by Buyer for assumption and assignment.

9.7 No Casualty Loss. No Casualty Losses shall have occurred of which the aggregate damages to the Assets suffering such losses equal more than twenty-five percent (25%) of the Base Purchase Price, with such damages to be capped (solely for purposes of this Section 9.7) at the Allocated Value of such affected Assets.

9.8 Authorizations. All authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by any Governmental Authority, set forth on Schedule 9.8 of the Disclosure Schedules, shall have been filed, occurred or been obtained.

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

10.1 Accuracy of Representations.

The representations and warranties of Buyer set forth in this Agreement shall be true, correct and complete in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date), and Seller

shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.2 Sale Order in Effect.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be in full force and effect and shall not have been modified, amended, rescinded or vacated in any material respect (other than as provided in Section 9.5) and shall not be subject to a stay pending appeal.

10.3 Buyer's Performance.

The covenants and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.4 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect and which has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated by this Agreement or would be reasonably likely to cause any of such transactions to be rescinded following the Closing.

10.5 Buyer's Deliveries.

Each of the deliveries required to be made to Seller pursuant to Section 4.3 shall have been so delivered.

10.6 Authorizations. All authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by any Governmental Authority, set forth on Schedule 9.8 of the Disclosure Schedules, shall have been filed, occurred or been obtained.

ARTICLE 11

TERMINATION

11.1 Termination Events.

Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

- (a) by either Seller or Buyer:
 - (i) if a Governmental Authority issues a final, non-appealable ruling, Order or other Legal Requirement prohibiting the transactions contemplated hereby where such ruling or Order was not requested, encouraged or supported by Seller or Buyer;
 - (ii) if the Bidding Procedures Order has not been entered by September 30, 2016;
 - (iii) by mutual written consent of Seller and Buyer;

(iv) if the Closing has not occurred by the close of business on November 30, 2016 (the “Outside Date”); *provided, however*, that if the Closing has not occurred by such date, but on such date all of the conditions set forth in Article 9 and Article 10 have been satisfied or waived (to the extent such conditions may be waived) by the Party entitled to so waive, other than (A) any approval or consent from a Governmental Authority required for the Closing to occur or (B) the condition set forth in Section 9.1 due to the breach or inaccuracy of Seller’s representations and warranties contained in Section 5.20 or Section 5.21, then the Outside Date shall automatically be extended until thirty (30) days after such date (and thereafter such date shall be deemed to be the “Outside Date” for all purposes hereunder); and *provided, further*, that (1) Buyer shall be permitted to terminate this Agreement pursuant to this Section 11.1(b)(v) only if (x) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Buyer has provided written notice to Seller of its intention to exercise its rights under this Section 11.1(b)(v) and Seller has not provided written notice to Buyer that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Buyer, and (2) Seller shall be permitted to terminate this Agreement pursuant to this Section 11.1(b)(v) only if (x) Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Seller has provided written notice to Buyer of its intention to exercise its rights under this Section 11.1(b)(v) and Buyer has not provided written notice to Seller that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Seller;

(v) in the event Seller enters into a definitive agreement regarding a Superior Proposal, provided that in such event, Buyer shall be entitled to the payment of the Break-Up Fee and Expense Reimbursement; or

(vi) if the Bankruptcy Court enters an Order dismissing, or converting into cases under chapter 7 of the Bankruptcy Code, any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case, where such Order was not requested, encouraged or supported by Seller.

(b) by Buyer:

(i) in the event of any breach by Seller of any of Seller’s agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied) or in the Bidding Procedures Order or Sale Order, and (A) in the case of any breach by Seller of any of Seller’s agreements, covenants, representations or warranties contained herein other than as set forth in Section 5.20 and Section 5.21, the failure of Seller to cure such breach within ten (10) days after receipt of the Buyer Termination Notice, and (B) in the case of any breach by Seller of Section 5.20 or Section 5.21, the failure of Seller to Cure such breach on or prior to the Outside Date (as may be extended); *provided, however*, that (1) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order, (2) Buyer notifies Seller in writing (the “Buyer Termination Notice”) of its intention to exercise its rights under this Section 11.1(b)(i) as a result of the breach, and (3) Buyer specifies in the Buyer Termination Notice the representation, warranty, covenant or agreement contained herein or in the Bidding Procedures Order or Sale

Order of which Seller is allegedly in breach and a description of the specific factual circumstances to support the allegation;

(ii) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction;

(iii) if the Sale Order has not been entered by the Bankruptcy Court on or before October 31, 2016 at 11:59 p.m. (Eastern), the hearing with respect to approval of the Sale Order shall not have occurred on or before October 31, 2016 at 11:59 p.m. (Eastern), or following the entry of the Sale Order, the Sale Order shall (A) fail to be in full force and effect, (B) have been reversed, (C) have been stayed and such stay shall continue to be in effect for more than fourteen (14) days, or (D) have been modified or amended in any manner adverse to the Buyer without the prior written consent of the Buyer; or

(iv) if Seller withdraws or seeks authority to withdraw the Sale Motion, or announces any stand-alone plan of reorganization or liquidation with respect to the Assets (or supports any such plan filed by any other party), provided that in such event Buyer shall be entitled to payment of the Expense Reimbursement.

(c) by Seller:

(i) in the event of any breach by Buyer of any of Buyer's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.3 to be satisfied) or in the Bidding Procedures Order or Sale Order, and the failure of Buyer to cure such breach within ten (10) days after receipt of the Seller Termination Notice; *provided, however*, that Seller (A) is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order, (B) Seller notifies Buyer in writing (the "Seller Termination Notice") of its intention to exercise its rights under this Section 11.1(c)(i) as a result of the breach, and (C) Seller specifies in the Seller Termination Notice the representation, warranty, covenant or agreement contained herein or in the Bidding Procedures Order or Sale Order of which Buyer is allegedly in breach and a description of the specific factual circumstances to support the allegation; or

(ii) if the Deposit is not timely paid by Buyer in accordance with Section 3.2.

11.2 Effect of Termination.

(a) In the event of termination of this Agreement by Buyer or Seller pursuant to this Article 11, all rights and obligations of the Parties under this Agreement shall terminate without any Liability of any Party to any other Party; *provided, however*, that nothing herein shall relieve any Party from liability for breach of this Agreement prior to such termination. The provisions of this Section 11.2 and Section 3.2 (and, to the extent applicable to the interpretation or enforcement of such provisions, Article 1 and Article 13) shall expressly survive the termination of this Agreement.

(b) In the event of a termination of this Agreement (i) by Buyer pursuant to any provision of Section 11.1(b), or (ii) by Buyer or Seller pursuant to Section 11.1(a)(iv), Section 11.1(a)(v), or or Section 11.1(a)(vi) Seller shall pay to Buyer, without duplication, the Expense Reimbursement within two (2) Business Days following

such termination and receipt of applicable invoices from Buyer. The Expense Reimbursement shall be an administrative expense under Section 503 and 507 of the Bankruptcy Code.

(c) In the event of a termination of this Agreement (i) by Buyer pursuant to any provision of Section 11.1(b), or (ii) by Buyer or Seller pursuant to Section 11.1(a)(iv), Section 11.1(a)(v), or Section 11.1 (a)(vi), if Seller executes a definitive agreement with respect to, or consummates, a Superior Proposal within twelve (12) months following such termination (including if the Auction produced a Successful Bidder other than Buyer), Seller shall pay to Buyer, without duplication, a break-up fee of three percent (3%) of the Base Purchase Price (the “Break-Up Fee”) less any Expense Reimbursement that has been paid to Buyer (which Expense Reimbursement shall be paid to Buyer on or before the date that is two (2) business days after entry of the Sale Order) at the time that the Break-Up Fee becomes payable, to be paid on the date that is the earlier of (i) the closing of the Superior Proposal and out of the Seller’s proceeds from the consummation thereof or (ii) twenty (20) days after entry of the Sale Order. The Break-Up Fee and the Expense Reimbursement shall both be administrative expenses under Sections 503 and 507 of the Bankruptcy Code, provided, however, that nothing in this Section 11.2(c) shall be deemed to limit the amount of the Expense Reimbursement and/or the Break-Up Fee in any way, including to the amount of the Seller’s proceeds, if any, from the consummation of a Superior Proposal.

(d) Each Party acknowledges that the agreements contained in this Section 11.2 are an integral part of the transactions contemplated by this Agreement, that without these agreements such Party would not have entered into this Agreement, and that any amounts payable pursuant to this Section 11.2 do not constitute a penalty. To the extent that all amounts, if any, due in respect of the Break-Up Fee and the Expense Reimbursement pursuant to this Section 11.2 have actually been paid by Seller to Buyer, Buyer shall not have any additional recourse against Seller for any obligations or Liabilities relating to or arising from this Agreement. Furthermore, in the event of any breach of this Agreement by Seller, subject to the rights of Buyer pursuant to Section 13.10, the sole and exclusive remedies of Buyer will be, if applicable, to terminate this Agreement pursuant to Section 11.1 and receive, if applicable, any payments payable pursuant to this Section 11.2. Subject to the rights of Buyer pursuant to Section 13.10, in no event will Seller or any member of Seller Group be liable for any monetary damages for any breach of this Agreement, other than any payments payable pursuant to this Section 11.2.

ARTICLE 12

SURVIVAL AND INDEMNIFICATION

12.1 No Survival of Seller’s Representations and Warranties.

The representations and warranties of Seller contained herein and in any certificate or other Transaction Document delivered by Seller pursuant to this Agreement shall terminate upon and not survive the Closing and, except as provided in Section 8.12(b)(v) there shall be no liability thereafter in respect thereof. Each of Seller’s covenants and other agreements contained in this Agreement shall terminate upon the Closing, except that the covenants and agreements of Seller that require or contemplate performance after Closing (each a “Post-Closing Covenant”) shall survive the Closing until the earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b) (i) if time for performance of

such Post-Closing Covenant is specified in this Agreement or in any other Transaction Document, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such Post-Closing Covenant is not specified in this Agreement or in any other Transaction Document, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; *provided* that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

12.2 Survival of Buyer's Representations and Warranties.

The representations and warranties of Buyer contained in Article 6 of this Agreement shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof. Each of Buyer's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except that the covenants and agreements of Buyer that require or contemplate performance after Closing shall survive the Closing until the earlier of (a) performance of such covenants or agreements in accordance with this Agreement or, (b) (i) if time for performance of such covenant or agreement is specified in this Agreement or in any other Transaction Document, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such covenants or agreements is not specified in this Agreement or in any other Transaction Document, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform any such covenants or agreements; *provided* that if a written notice of any claim with respect to any such covenant or agreement is given prior to the expiration thereof then such covenant or agreement shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement and *provided, further*, that any obligations to indemnify and hold harmless shall not terminate with respect to any Liabilities as to which a Seller Indemnified Party shall have given notice to Buyer in accordance with Section 12.4(a) on or before the Expiration Date.

12.3 Indemnification by Buyer.

(a) Subject to Section 12.2, Buyer hereby agrees to indemnify and hold Seller and each member of the Seller Group (collectively, the "Seller Indemnified Parties") harmless from and against:

(i) any and all Liabilities based upon, attributable to or resulting from the breach of any representation or warranty of Buyer set forth in Article 6 hereof, or any representation or warranty contained in any certificate delivered by or on behalf of Buyer pursuant to this Agreement;

(ii) any and all Liabilities based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of Buyer under this Agreement, *provided* that Buyer's indemnity obligations with respect to any breach of the covenants set forth in Section 8.6(a) hereof shall be limited to the sum of the "Cash Payment" and the "COBRA Premium Payment" that Seller is obligated to pay under Section 2.1 of the Samson Resources Corporation Job Elimination Severance Plan for Non-Officers (as each such term is defined therein); and

(iii) all Assumed Liabilities.

(b) Notwithstanding anything contained herein to the contrary, any Seller Indemnified Party making an Indemnification Claim under Section 12.3 must give notice to the indemnifying Party of any such Indemnification Claim in writing on or prior to the Expiration Date.

12.4 Indemnification Procedures.

(a) In the event that any Actions shall be instituted or that any claim or demand shall be asserted by any Seller Indemnified Party in respect of which payment may be sought under Section 12.3 (an “Indemnification Claim”), the Seller Indemnified Party shall reasonably and promptly cause written notice of the assertion of any Indemnification Claim of which it has knowledge which is covered by this indemnity to be forwarded to the indemnifying Party; *provided* that a Seller Indemnified Party need not wait until an Action has been instituted or demand has been asserted before delivering written notice of an Indemnified Claim to the indemnifying Party. The indemnifying Party shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the Seller Indemnified Party, and to defend against any Indemnification Claim which relates to any Liabilities indemnified against hereunder. If the indemnifying Party elects to defend against any Indemnification Claim which relates to any Liabilities indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the Seller Indemnified Party of its intent to do so, *provided* that the undertaking any of such defense shall not constitute an admission by the indemnifying Party of liability or responsibility for the Indemnification Claim. If the indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, the Seller Indemnified Party may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the indemnifying Party shall assume the defense of any Indemnification Claim, the Seller Indemnified Party may participate, at his or its own expense, in the defense of such Indemnification Claim; *provided, however*, that such Seller Indemnified Party shall be entitled to participate in any such defense with separate counsel at the reasonable expense of the indemnifying Party if (a) so requested by the indemnifying Party to participate or (b) in the reasonable opinion of counsel to the Seller Indemnified Party a conflict or potential conflict exists between the Seller Indemnified Party and the indemnifying Party that would make such separate representation advisable; and *provided, further*, that the indemnifying Party shall not be required to pay for more than one such counsel for all Seller Indemnified Parties in connection with any Indemnification Claim and that all legal fees incurred shall be reasonable. The Parties agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything in this Section 12.4 to the contrary, neither the indemnifying Party nor any Seller Indemnified Party shall, without the written consent of the other, settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless the claimant and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim. If the indemnifying Party makes any payment on any Indemnification Claim, the indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Seller Indemnified Party to any insurance benefits or other claims of the Seller Indemnified Party with respect to such Indemnification Claim.

(b) After any final decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction and the expiration of the time in

which to appeal therefrom, or a settlement shall have been consummated, or the Seller Indemnified Party and the indemnifying Party shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the Seller Indemnified Party shall promptly forward to the indemnifying Party notice of any sums due and owing by the indemnifying Party pursuant to this Agreement with respect to such matter.

12.5 Calculation of Liabilities.

The amount of any Liabilities for which indemnification is provided under this Article 12 shall be net of any amounts actually recovered by the Seller Indemnified Party under insurance policies with respect to such Liabilities (net of any Tax or expenses incurred in connection with such recovery).

12.6 Tax Treatments of Indemnity Payments.

The Parties agree to treat any indemnity payment made pursuant to this Article 12 as an adjustment to the Base Purchase Price for federal, state, local and foreign income tax purposes. Any indemnity payment under this Article 12 shall be treated as an adjustment to the value of the Asset upon which the underlying Indemnification Claim was based, unless a final determination (which shall include the execution of an agreement such as an IRS Form 906; Closing Agreement; a compromise agreement; or an agreement on IRS Form 870-AD with an IRS Appeals office or any successor forms thereto) with respect to the Seller Indemnified Party causes any such payment not to be treated as an adjustment to the value of the asset for United States federal income tax purposes. The Parties acknowledge and agree that an adjustment to the Base Purchase Price pursuant to this Section 12.6 may necessitate, to the extent required or advisable, that the Parties amend any IRS Form 8594 Asset Acquisition Statement under Code Section 1060 previously prepared pursuant to Section 8.2 hereof.

ARTICLE 13

GENERAL PROVISIONS

13.1 Confidentiality.

Notwithstanding anything in the Non-Disclosure Agreement to the contrary, the Parties agree that the non-disclosure agreement entered into by them and their Affiliates, dated May 9, 2016 (the "Non-Disclosure Agreement"), shall continue in full force and effect notwithstanding the execution and delivery by the Parties of this Agreement; *provided, however*, that (a) disclosure of matters that become a matter of public record as a result of the Bankruptcy Case and the filings related thereto shall not constitute a breach of such Non-Disclosure Agreement, and (b) disclosures permitted under this Agreement shall not constitute a breach of such Non-Disclosure Agreement.

13.2 Public Announcements.

Buyer, on the one hand, and Seller, on the other hand, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement, the transactions contemplated hereby or the activities and operations of the other Party, and shall not issue any such release or make any such statement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, prior to or after the Closing, if Buyer (including any of its parent entities), on the one hand, or Seller (including any of its parent entities), on the other is required

to make any statement, declaration or public announcement regarding this Agreement or the transactions contemplated hereunder pursuant to (a) any Legal Requirement, (b) applicable rules or regulations of any national securities exchange, or (c) the terms of such Party's (including such Party's respective parent entities) indentures, loan agreements, credit agreements or other similar debt agreements or financial instruments, then the same may be made without the approval of the other Party, but, in the case of disclosures made by either Party, only to the extent the name of the non-disclosing Party is omitted from such statement, declaration or announcement if permitted by the applicable Legal Requirements.

13.3 Notices.

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving Party being obligated to respond affirmatively to any read receipt requests delivered by the other Party), (c) received by the addressee, if sent by a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Parties):

(i) If to Seller, then to:

Samson Resources Company
Two West Second Street
Tulsa, Oklahoma 74103-3103
Attn: General Manager - Business Development
Phone: 918-591-1254
E-mail: bd@samson.com

and

Samson Resources Company
Two West Second Street
Tulsa, Oklahoma 74103-3103
Attn: Corporate Secretary
Phone: 918-583-1791
E-mail: legal@samson.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn: Ross M. Kwasteniet; Brad Weiland; Jason
Gott
Phone: (312) 862-7182
E-mail: brad.weiland@kirkland.com

Kirkland & Ellis LLP
600 Travis Street, Suite 3300
Houston, Texas 77002
Attn: Anthony Speier, P.C.; Cody R. Carper
Phone: (713) 835-3734
E-mail: cody.carper@kirkland.com

(ii) If to Buyer:

Red Willow Production Company
14933 Highway 172
P.O. Box 369
Ignacio, Colorado 81137
Attn: Peter S. Joslin,
Vice President of Business
Development
Phone: (970) 563-5231
E-mail: pjoslin@rwpc.us

with copies (which shall not constitute notice) to:

Maynes, Bradford, Shipps and Sheftel, LLP
835 East Second Avenue, Suite 123
Post Office Box 2717
Durango, Colorado 81301
Attn: Thomas H. Shipps
E-mail: tshipps@mbsslip.com

Maynes, Bradford, Shipps and Sheftel, LLP
1331 Seventeenth Street, Suite 410
Denver, CO 80202
Attn: Sherri D. Way
E-mail: sway@mbsslip.com

13.4 Waiver; Waiver of Damages.

No waiver of any of the provisions of this Agreement or rights hereunder shall operate as a waiver unless it is in writing and signed by the Party against whom enforcement of such waiver is sought. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party shall be deemed to be a waiver of any right of the Party giving such notice or demand to take

further action without notice or demand. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS AGREEMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES, EXCEPT TO THE EXTENT ANY SELLER INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT RECOVERABLE UNDER ARTICLE 12) WITHOUT GIVING EFFECT TO THIS SECTION 13.4.

13.5 Entire Agreement; Amendment.

This Agreement (including the Schedules, Disclosure Schedules and the Exhibits) and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to their subject matter. The terms of this Agreement shall control over any conflicting provision in any other Transaction Document. This Agreement may not be amended except by a written agreement executed by all of the Parties.

13.6 Assignment.

This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Parties (which consent may be granted or withheld in the sole discretion of such other Party), *provided* that Buyer shall have the right to assign this Agreement to an affiliated entity, or to a special purpose entity or affiliate formed for purposes of this acquisition but in so doing, Buyer shall remain liable for its obligations under this Agreement through the Closing Date. Buyer shall provide Seller with a copy of the assignment executed by Buyer and assignee no later than five (5) Business Days prior to Closing. Each and all of the covenants and conditions of this Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of Buyer and Seller. For purposes of this Agreement, an affiliated entity shall mean a corporation, limited liability company, or other entity controlling, controlled by, or under common control with Buyer.

13.7 Severability.

The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

13.8 Expenses.

Except as otherwise provided in this Agreement, the Parties shall bear their own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

13.9 Time of the Essence.

Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

13.10 Specific Performance.

The Parties agree that irreparable damage would occur if any provision of this Agreement is not performed in accordance with the terms hereof, including if any of the Parties fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement, and that the Parties shall be entitled to an injunction or injunctions without proof of damages or posting a bond or other security to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity. The right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right neither Seller nor Buyer would have entered into this Agreement. If, prior to the Outside Date (giving effect to any extensions thereof as provided in Section 11.1(a)(iv)), any Party brings any action to enforce specifically the performance of the terms and provisions hereof by any other Party, the Outside Date (giving effect to any extensions thereof as provided in Section 11.1(a)(iv)) will automatically be extended (a) for the period during which such action is pending, plus ten (10) Business Days or (b) by such other time period established by the court presiding over such action, as the case may be.

13.11 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Texas applicable hereto.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to

this Agreement shall be heard and determined in a Texas state court or a federal court sitting in the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3) or any other manner permitted by law.

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

13.12 Counterparts.

This Agreement and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 13.3, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by telecopier or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

13.13 Parties in Interest; No Third Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind.

13.14 No Recourse.

Notwithstanding anything that may be expressed or implied in this Agreement or any Transaction Document, and notwithstanding the fact that any Party may be a partnership or limited liability company, each Party, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that no Persons other than the Parties shall have any obligation hereunder and that it has no rights of recovery hereunder against, and no recourse hereunder or under any Transaction Documents or in respect of any oral representations made or alleged to be made in connection herewith or therewith shall be had against, any former, current or future Affiliate, incorporator, controlling Person, fiduciary, Representative, co-owner or equity holder of any Party (or any of their successors or permitted assignees) (each, a "Party Affiliate"), whether by or through attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of such Person against the Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Legal Requirement, or otherwise; it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Party Affiliate, as such, for any obligations of the applicable Person under this Agreement or the transactions contemplated hereby, under any documents or instruments delivered contemporaneously herewith, in respect of any oral representations made

or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

13.15 Disclosure Schedules; Materiality.

Any disclosure made by a party in any Disclosure Schedule with reference to any Section or Schedule of this Agreement shall be deemed to be a disclosure with respect to any other Section or Schedule to which such disclosure may apply to the extent the applicability of such additional disclosure is reasonably apparent on its face, and any disclosure in the Seller SEC Documents or the Disclosure Schedules will be deemed to qualify a representation or warranty to the extent that the relevance of such disclosure to such representation or warranty is reasonably apparent on its face. The information contained in this Agreement, Schedules, Disclosure Schedules, and Exhibits hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein will be deemed to be an admission by any Party to any Person of any matter whatsoever, including any violation of Legal Requirements or breach of Contract. The disclosure of any particular fact or item in any Disclosure Schedule shall not be deemed an admission as to whether the fact or item is “material” or would constitute a “Material Adverse Effect.

13.16 Liquidating Trustee.

If at any time Seller liquidates or otherwise has a trustee or other representative appointed by the Bankruptcy Court, then such trustee or other representative shall be entitled to exercise the rights of Seller and shall perform the obligations of Seller under this Agreement.

13.17 Approval of the Bankruptcy Court.

Notwithstanding anything herein to the contrary, except for Buyer’s right to receive the Break-Up Fee and/or Expense Reimbursement as provided in Section 11.2, any and all obligations under this Agreement are subject to the entry of the Sale Order.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

SAMSON RESOURCES COMPANY

By: 

Name: Sean Woolverton

Title: Executive Vice President & Chief Operating Officer

THE SOUTHERN UTE INDIAN TRIBE

d/b/a RED WILLOW PRODUCTION COMPANY

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

SAMSON RESOURCES COMPANY

By: _____

Name: Sean Woolverton

Title: Executive Vice President & Chief Operating Officer

THE SOUTHERN UTE INDIAN TRIBE

d/b/a RED WILLOW PRODUCTION COMPANY

By: Albert J. Brown

Name: ALBERT J. BROWN

Title: PRESIDENT & COO RED WILLOW PRODUCTION COMPANY

Exhibit C-2

Resource Stalking Horse Agreement

ASSET PURCHASE AGREEMENT
DATED AS OF SEPTEMBER 2, 2016,
BY AND BETWEEN
SAMSON RESOURCES COMPANY
AS SELLER,
AND
RESOURCE ENERGY CAN-AM LLC,
AS BUYER

TABLE OF CONTENTS

ARTICLE 1

DEFINITIONS

1.1	Definitions.....	1
1.2	Other Definitions and Interpretive Matters.....	14

ARTICLE 2

PURCHASE AND SALE

2.1	Purchase and Sale.....	15
2.2	Excluded Assets.....	18
2.3	Assumed Liabilities.....	19
2.4	Excluded Liabilities.....	20
2.5	Cure Costs.....	21
2.6	Assignment of Assets Subject to Consent Requirements.....	23
2.7	Further Assurances.....	23

ARTICLE 3

PURCHASE PRICE

3.1	Purchase Price.....	23
3.2	Deposit.....	24

ARTICLE 4

CLOSING

4.1	Closing Date.....	24
4.2	Payment on the Closing Date.....	24
4.3	Buyer’s Deliveries.....	25
4.4	Seller’s Deliveries.....	26

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

5.1	Organization and Good Standing.....	26
5.2	Authority; Validity; Governmental Authority Consents.....	27
5.3	No Conflict.....	27
5.4	Material Assigned Contracts.....	27
5.5	Permits.....	28
5.6	Wells; Plug and Abandon Notice.....	28
5.7	Imbalances.....	28

5.8	AFEs	28
5.9	Hedging	28
5.10	Preferential Purchase Rights	28
5.11	Suspense Funds	29
5.12	Intellectual Property	29
5.13	Taxes	29
5.14	Legal Proceedings	29
5.15	Labor Matters	30
5.16	Employee Benefits	30
5.17	No Take-or-Pay Obligations	30
5.18	Payments	30
5.19	Brokers or Finders	31
5.20	Powers of Attorney	31
5.21	Non-Consent Operations	31
5.22	Compliance with Laws	31
5.23	Environmental Matters	31
5.24	Leases, Wells and Defensible Title Matters	32
5.25	Casualty Losses	32
5.26	Insurance and Bonds	32
5.27	Required Notices	32
5.28	Carry Forward Credits	33
5.29	Knowledge Qualifier for Non-Operated Assets	33

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

6.1	Organization and Good Standing	33
6.2	Authority; Validity; Consents	33
6.3	No Conflict	34
6.4	Availability of Funds	34
6.5	Litigation	34
6.6	Bankruptcy	34
6.7	Brokers or Finders	34
6.8	Knowledge and Experience	34
6.9	Qualification to Assume Operatorship	35

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1	Access and Reports	35
7.2	Operations Prior to the Closing Date	37
7.3	Limitation on Covenants	38
7.4	Reasonable Best Efforts	38
7.5	Bankruptcy Court Approval	39

7.6	Updates and Amendments of Exhibits, Schedules and Disclosure Schedules.	40
7.7	Bidding Procedures.	40
7.8	Access to Buyer Documentation.	41
7.9	Bankruptcy Filings.	41

ARTICLE 8

ADDITIONAL AGREEMENTS

8.1	Taxes.	41
8.2	Allocation of Purchase Price.	43
8.3	Bulk Sales.	43
8.4	Assigned Contracts: Adequate Assurance and Performance.	43
8.5	Employee Matters.	44
8.6	Post-Closing Books and Records and Personnel.	45
8.7	No Other Representations or Warranties; Disclaimers; NORM.	46
8.8	Casualty.	47
8.9	Successor Operator.	48
8.10	Preferential Purchase Rights.	48
8.11	Accounting Adjustments for Revenues and Expenses.	49
8.12	Initial Adjustment at Closing.	50
8.13	Adjustment Post Closing.	51
8.14	Cooperation.	52
8.15	Release of Encumbrances.	53
8.16	No Affiliate Interests.	53
8.17	Transfer of Statutory Liens.	53

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

9.1	Accuracy of Representations.	54
9.2	Seller’s Performance.	54
9.3	No Order.	55
9.4	Seller’s Deliveries.	55
9.5	Sale Order.	55

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

10.1	Accuracy of Representations.	55
10.2	Sale Order in Effect.	55
10.3	Buyer’s Performance.	56
10.4	No Order.	56
10.5	Buyer’s Deliveries.	56

ARTICLE 11

TERMINATION

11.1	Termination Events.....	56
11.2	Effect of Termination.....	58

ARTICLE 12

SURVIVAL AND INDEMNIFICATION

12.1	No Survival of Seller’s Representations and Warranties.....	59
12.2	No Survival of Buyer’s Representations and Warranties.	59
12.3	Indemnification by Seller.....	60
12.4	Calculation of Liabilities.....	60
12.5	Tax Treatments of Indemnity Payments.	60

ARTICLE 13

GENERAL PROVISIONS

13.1	Confidentiality.	60
13.2	Public Announcements.	61
13.3	Notices.	61
13.4	Waiver; Waiver of Damages.....	62
13.5	Entire Agreement; Amendment.	63
13.6	Assignment.	63
13.7	Severability.	63
13.8	Expenses.	63
13.9	Time of the Essence.	64
13.10	Specific Performance.	64
13.11	Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.....	64
13.12	Counterparts.....	65
13.13	Parties in Interest; No Third Party Beneficiaries.	65
13.14	No Recourse.....	65
13.15	Disclosure Schedules; Materiality.	66
13.16	Liquidating Trustee.....	66

SCHEDULES:

Schedule 1.1(a)	Seller’s Knowledge Persons
Schedule 1.1(b)	Buyer’s Knowledge Persons
Schedule 1.1(c)	Known Pre-Effective Time Receivables
Schedule 1.1(d)	Liens or Encumbrances for Taxes
Schedule 2.1(b)(v)	Miscellaneous Corporate Property
Schedule 2.1(b)(xiii)	Included Intellectual Property
Schedule 2.2(b)	Certain non-excluded cash and cash equivalents
Schedule 2.2(f)	Excluded Records
Schedule 2.2(g)	Excluded Leases and Interests
Schedule 2.2(h)	Excluded Contracts
Schedule 2.2(r)	Excluded Receivables
Schedule 2.5	Estimated Cure Costs
Schedule 7.1(c)	Confidentiality Contracts
Schedule 7.2	Operations Prior to the Closing Date
Schedule 8.2	Allocated Values
Schedule 8.5(a)	Applicable Employees
Schedule 8.11(a)(iv)	Cash Call Pre-Payment Amounts, Royalty Overpayment Amounts and Royalty Offsets

DISCLOSURE SCHEDULES:

Disclosure Schedule 5.2	Governmental Authority Consents
Disclosure Schedule 5.4	Material Contracts
Disclosure Schedule 5.6	Plugging and Abandonment Obligations
Disclosure Schedule 5.7	Imbalances
Disclosure Schedule 5.8	AFEs
Disclosure Schedule 5.10	Preferential Purchase Rights
Disclosure Schedule 5.11	Suspense Funds
Disclosure Schedule 5.12	Intellectual Property
Disclosure Schedule 5.13	Taxes
Disclosure Schedule 5.14	Legal Proceedings
Disclosure Schedule 5.16	Benefit Plans
Disclosure Schedule 5.17	Take-or-Pay Obligations
Disclosure Schedule 5.18	Payments
Disclosure Schedule 5.21	Non-Consent Operations
Disclosure Schedule 5.26	Insurance and Bonds
Disclosure Schedule 5.28	Carry Forward Credits
Disclosure Schedule 7.2(a)(ii)	Disputed Payments

EXHIBITS:

Exhibit A	Form of Bidding Procedures
Exhibit B	Form of Bidding Procedures Order

Exhibit C	Assigned Leases and Interests
Exhibit D	Wells
Exhibit E	Assigned Contracts
Exhibit F	Form of Assumption Agreement
Exhibit G	Form of Assignment
Exhibit H	Equipment
Exhibit I	Surface Rights

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of September 2, 2016 (the “Execution Date”), but effective for all purposes as of the Effective Date, is by and between Samson Resources Company, an Oklahoma corporation, whose address is Samson Plaza, Two West Second Street, Tulsa, Oklahoma 74103 (“Seller”), and Resource Energy Can-Am LLC, a Delaware limited liability company, whose address is 1805 Shea Center Drive, Suite 100, Highlands Ranch, Colorado 80129 (“Buyer”). Capitalized terms used but not otherwise defined herein have the meanings set forth in Article 1. Seller and Buyer are sometimes referred to collectively herein as the “Parties” and individually as a “Party”.

RECITALS

WHEREAS, Seller is engaged in the business of onshore oil and natural gas exploration, development and production in the United States of America, and owns, in varying proportions, certain oil and gas leases and associated assets more particularly described in Section 2.1;

WHEREAS, on September 16, 2015, Seller commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”);

WHEREAS, Seller desires to sell to Buyer all of the Assets, and Buyer desires to purchase from Seller all of the Assets and assume all of the Assumed Liabilities, upon the terms and conditions hereinafter set forth;

WHEREAS, the Parties intend to effectuate the transactions contemplated by this Agreement through a sale of the Assets pursuant to Sections 105, 363 and 365 of the Bankruptcy Code; and

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

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions.

For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“Accounting Referee” has the meaning set forth in Section 8.13.

“Action” means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.

“Adjustment Escrow Amount” means \$2,000,000.

“AFEs” has the meaning set forth in Section 5.8.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by, or is under common Control with, such specified Person; *provided* that (i) Kohlberg Kravis Roberts & Co. L.P. and all private equity funds, portfolio companies, parallel investment entities, and alternative investment entities owned, managed, or Controlled by Kohlberg Kravis Roberts & Co. L.P. shall not be considered or otherwise deemed to be an “Affiliate” of Seller, and (ii) Apollo Global Management, LLC and all private equity funds, portfolio companies, parallel investment entities, and alternative investment entities owned, managed, or Controlled by Apollo Global Management, LLC shall not be considered or otherwise deemed to be an “Affiliate” of Buyer.

“Affiliate Interest” has the meaning set forth in Section 8.16(a).

“Agreement” has the meaning set forth in the introductory paragraph.

“Allocated Value” has the meaning set forth in Section 8.2.

“Applicable Employees” means those employees of Seller and its Subsidiaries that are listed on Schedule 8.5(a).

“Asset Taxes” has the meaning set forth in Section 8.1(b).

“Assets” has the meaning set forth in Section 2.1(b).

“Assigned Contracts” has the meaning set forth in Section 2.1(b)(viii).

“Assigned Leases and Interests” has the meaning set forth in Section 2.1(b)(i).

“Assignment” means the Assignment and Bill of Sale substantially in the form attached hereto as **Exhibit G**.

“Assumed Credits” means the amount of any credits and/or payables that are owed by Seller to third party working interest owners as of the Closing Date and that are attributable to pre-Effective Time periods. Notwithstanding anything in this definition to the contrary, the “Assumed Credits” shall not include any credits and/or payables attributable to a third party working interest owner that is in a total credit position on account with Seller (after taking into account the Known Pre-Effective Time Receivables of such third party working interest owner).

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Assumption Agreement” has the meaning set forth in Section 2.3.

“Auction” has the meaning set forth in the Bidding Procedures.

“Avoidance Actions” means any and all claims for relief of Seller under chapter 5 of the Bankruptcy Code.

“Backup Bidder” has the meaning set forth in the Bidding Procedures.

“Bankruptcy Case” means the case commenced by Seller under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, styled In re: Samson Resources Corporation, *et al.*, jointly administered under Case No. 15-11934, and pending before the Bankruptcy Court.

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

“Bankruptcy Court” has the meaning set forth in the recitals.

“Base Purchase Price” has the meaning set forth in Section 3.1.

“Benefit Plan” has the meaning set forth in Section 5.16.

“Bid Deadline” has the meaning set forth in the Bidding Procedures Order.

“Bidding Procedures” means bid procedures in substantially the form attached hereto as **Exhibit A**, to be submitted to the Bankruptcy Court for approval pursuant to the Bidding Procedures Order.

“Bidding Procedures Motion” has the meaning set forth in Section 7.7.

“Bidding Procedures Order” means an Order of the Bankruptcy Court in substantially the form attached hereto as **Exhibit B**.

“Break-Up Fee” has the meaning set forth in Section 11.2(b).

“Business Day” means any day, other than Saturday or Sunday, on which commercial banks are open for commercial business with the public in Tulsa, Oklahoma and New York, New York.

“Buyer” has the meaning set forth in the introductory paragraph.

“Buyer Parties” means Buyer, its respective Affiliates and the former, current or future equity holders and Representatives of each of the foregoing.

“Buyer Termination Notice” has the meaning set forth in Section 11.1(b)(i).

“Casualty Loss” means any loss, damage or destruction of the Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, terrorism, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear, and any change in condition of the Assets for production of Hydrocarbons through normal depletion (which exclusion shall include the watering-out of any Well, collapsed casing, sand infiltration of any Well, or other reservoir changes relating to production issues).

“Closing” has the meaning set forth in Section 4.1.

“Closing Date” has the meaning set forth in Section 4.1.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract” means any agreement, contract, obligation, promise or undertaking (in each case, whether written or oral), other than a Lease, that is legally binding.

“Control” means the ability (directly or indirectly through one or more intermediaries) to direct or cause the direction of the management or affairs of a Person, whether through the ownership of voting interests, by contract or otherwise.

“Copyrights” means all United States and foreign copyright rights in any original works of authorship, whether registered or unregistered, including all copyright registrations and applications.

“Cure Costs” has the meaning set forth in Section 2.5(a).

“Defensible Title” means the title which, as of the Effective Time through the Closing and subject to any Permitted Encumbrances: (a) entitles Seller to a Net Revenue Interest for each Well which is not less than the Net Revenue Interest set forth for such Well in **Exhibit D**, except for any decrease (i) caused by orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Execution Date that concern pooling, unitization, communization or spacing matters, (ii) caused by Buyer, its successors or assigns, or (iii) caused by any non-consent election made by Seller after the Execution Date with respect to the drilling of a new Well in accordance with this Agreement; (b) obligates Seller for each Well, to bear a Working Interest for such Well which is not more than the Working Interest set forth for such Well in **Exhibit D**, except for any increase (i) caused by Buyer, its successors or assigns, (ii) that also results in at least a proportional increase in the Net Revenue Interest associated with the Well, or (iii) caused by orders of the appropriate Governmental Authority having jurisdiction that are promulgated after the Execution Date that concern pooling, unitization, communization or spacing matters; and (c) is free and clear of all Encumbrances. Notwithstanding the foregoing, the terms and conditions of all options, servitudes, contracts for sale, purchase, exchange, refining or processing of Hydrocarbons, operating agreements, unitization, pooling, and communitization agreements, farmins, farmouts, area of mutual interest agreements, declarations, or orders, construction agreements, construction and operation agreements, participation agreements, shoot-to-earn agreements, exploration agreements, partnership agreements, processing agreements, plant agreements, pipeline, gathering, exchange, and transportation agreements, disposal agreements, permits, licenses, and any other agreements affecting the Assets as of the Execution Date shall not constitute a defect that affects Seller’s Defensible Title, unless such agreements, individually or in the aggregate, (1) operate to reduce Seller’s Net Revenue Interest in a Well below that shown in **Exhibit D**, or increase Seller’s Working Interest in a Well above that shown in **Exhibit D** without a proportionate increase in the Net Revenue Interest, or (2) adversely affect the ownership and/or operation of the affected Assets in any material respect.

“Deposit” has the meaning set forth in Section 3.2.

“Determination Date” means the Qualified Bid Deadline, as such term is defined in the Bidding Procedures Order.

“Effective Date” means 12:00 a.m. on July 1, 2016.

“Encumbrance” means any charge, lien, claim, mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal (or similar right), right of setoff, successor liability, easement, servitude, restrictive covenant, interest or rights under any operating agreement, encroachment, encumbrance, third party restriction or other restriction or limitation of any kind.

“Environmental Laws” means any and all present and future Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations issued, or promulgated by any Governmental Authority now or hereafter in effect, and in each as amended or supplemented from time to time, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, release, or threatened release of Hazardous Substances on or into the environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or

handling of Hazardous Substances, (b) health, (c) the environment or (d) wildlife or natural resources applicable to the Assets and in effect in or for the jurisdiction in which the Assets are located, including the Clean Air Act (Air Pollution Control Act), the Clean Water Act (CWA), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (NEPA), the Endangered Species Act (ESA), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (FWCA), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act of 1986 (SARA), the Resources Conservation and Recovery Act (RCRA), the Toxic Substance Control Act, the Occupational, Safety and Health Act (OSHA), the Emergency Planning and Community Right-To-Know Act (EPCRA), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (HSWA) and any and all other applicable present and future federal, state and local Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations whose purpose is to regulate Hazardous Substances or to conserve or protect health, the environment, wildlife or natural resources as any of the foregoing are now existing or may hereafter be amended or interpreted.

“Equipment” has the meaning set forth in Section 2.1(b)(iv).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” has the meaning set forth in Section 5.16.

“Escrow Agent” has the meaning set forth in Section 3.2.

“Estimated Cure Costs” has the meaning set forth in Section 2.5(b).

“Estimated Purchase Price” means Seller’s good faith estimate of the Purchase Price, calculated pursuant to the terms of this Agreement, as reflected in the Preliminary Settlement Statement delivered pursuant to Section 8.12.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Contracts” means all Contracts of the Seller other than the Assigned Contracts. The Excluded Contracts include (subject to Section 2.5), among others, those Contracts described on Schedule 2.2(h).

“Excluded Leases and Interests” means those Leases and Mineral Interests described on Schedule 2.2(g).

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Montana Wells” has the meaning set forth in Section 2.2(t).

“Excluded Receivables” means those receivables set forth on Schedule 2.2(r) from Bakken Hunter LLC, Williston Hunter Inc., Bodine Oil & Gas LP and American Standard Energy Corp.

“Excluded Receivables Liabilities” means any Liabilities arising from, related to, or associated with agreements giving rise to, or claims made or otherwise filed by or against Seller for collection of, the Excluded Receivables.

“Excluded Records” means (a) the general corporate files and records of Seller, insofar as they relate to Seller’s business generally and are not required for the future ownership or operation of the Assets, (b) all information entitled to legal privilege, including all legal files and records (other than title opinions and files related to Assumed Liabilities, only to the extent related to such Assumed Liabilities), (c) Seller’s federal or state income, franchise or margin tax files and records, (d) employee files (other than files of Transferred Employees), (e) reserve evaluation information or economic projections, (f) records relating to the sale of the Assets, including competing bids, (g) the proprietary data, information and data described on Schedule 2.2(f) under third party contractual restrictions on assignment or disclosure, and (h) any other files or records to the extent relating to any Excluded Assets or expressly excluded from the Assets pursuant to Section 2.1(b)(xi).

“Execution Date” has the meaning set forth in the introductory paragraph.

“Expense Reimbursement” means an amount, for which Seller shall be liable under the circumstances set forth in Section 11.2(b), equal to the reasonable documented out-of-pocket costs and expenses of Buyer (including reasonable, documented expenses of counsel, investment bankers and other outside consultants, and other reasonable, documented legal expenses) related to negotiating this Agreement and investigating Seller and the Assets in the aggregate up to a maximum amount of one percent (1%) of the Base Purchase Price, which amount, upon entry of the Bidding Procedures Order, shall constitute a super priority administrative expense of Seller under section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of any kind, including those specified in section 503(b) or 507(b) of the Bankruptcy Code, and be paid as set forth in Section 11.2(b).

“Final Order” means an Action taken or Order issued by the applicable Governmental Authority as to which: (a) no request for stay of the Action or Order is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by statute or regulation, it is passed, including any extensions thereof; (b) no petition for rehearing or reconsideration of the Action or Order, or protest of any kind, is pending before the Governmental Authority and the time for filing any such petition or protest is passed; (c) the Governmental Authority does not have the Action or Order under reconsideration or review on its own motion and the time for such reconsideration or review has passed; and (d) the Action or Order is not then under judicial review, there is no notice of appeal or other application for judicial review pending, and the deadline for filing such notice of appeal or other application for judicial review has passed, including any extensions thereof.

“Final Purchase Price” means the Purchase Price, calculated pursuant to the terms of this Agreement, as reflected in the Final Settlement Statement delivered pursuant to Section 8.13.

“Final Settlement Statement” has the meaning set forth in Section 8.13.

“Governmental Authority” means any court or tribunal (including an arbitrator or arbitral panel) in any jurisdiction (domestic or foreign) or any federal, tribal, state, county, municipal or other governmental or quasi-governmental body, agency, authority, department, board, commission, bureau, official or other authority or instrumentality.

“Governmental Authorization” means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.

“Hard Consent” has the meaning set forth in Section 2.6.

“Hazardous Substances” means any pollutants, contaminants, NORM and other radioactive materials, chemicals, petroleum, petroleum products, crude oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, and other petroleum hydrocarbons whether refined or unrefined, or industrial, toxic or hazardous substances and any “contaminant,” “hazardous waste,” “hazardous material” or “hazardous substance” under any Environmental Laws.

“Hydrocarbons” means oil, gas, minerals, and other gaseous and liquid hydrocarbons, or any combination of the foregoing, produced from and attributable to the Properties.

“Imbalances” means over-production or under-production or over-deliveries or under-deliveries with respect to Hydrocarbons produced from or allocated to the Properties, regardless of whether such over-production or under-production or over-deliveries or under-deliveries arise at the wellhead, pipeline (taking into account any line fill), gathering system, transportation system, processing plant, or other location, including any imbalances under gas balancing or similar agreements, imbalances under production handling agreements, imbalances under processing agreements, imbalances under the Assigned Leases and Interests, imbalances under gathering or transportation agreements, and imbalances under operating agreements.

“Initial Deposit” has the meaning set forth in Section 3.2.

“Intellectual Property” means all intellectual property, including all Copyrights, Patents and Trademarks, owned, used or licensed by Seller and used or held for use exclusively in the ownership and operation of the Assets, but specifically excluding, for the avoidance of doubt, (a) all seismic, geological, geochemical or geophysical data owned or licensed by Seller and any of Seller’s interpretations of such data and (b) that certain intellectual property being more particularly described on Schedule 2.1(b)(xiii).

“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual knowledge of any of the individuals listed on Schedule 1.1(a) with respect to such matter after reasonable due inquiry and investigation, and (b) in the case of Buyer, the actual knowledge (without any duty of inquiry) of any of the individuals listed on Schedule 1.1(b) with respect to such matter.

“Known Pre-Effective Time Receivables” means those expenditures incurred by Seller prior to the Effective Date in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) and billed to third party working interest owners, which, in each case, that are set forth on Schedule 1.1(c) and remain outstanding and owed to Seller following the Closing. The “Known Pre-Effective Time Receivables” attributable to any third party working interest owner shall be reduced by the amount of the Assumed Credits that are owed by Seller to such third party working interest. Notwithstanding anything in this definition to the contrary, the “Known Pre-Effective Time Receivables” shall not include (a) any of the Excluded Receivables, (b) any expenditures (and related receivables) attributable to a third party working interest owner

that is in a total credit position on account with Seller (after taking into account the Assumed Credits of such third party working interest owner), or (c) any such expenditures to the extent a third party working interest owner has objected in writing to its obligation to pay such expenditure prior to the Closing Date.

“Lease” means any oil and gas lease, oil, gas and mineral lease or sublease, and other leasehold interest, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment.

“Legal Requirement” means any federal, state, provincial, local, municipal, foreign, international, multinational, or other administrative Order, constitution, law, ordinance, principle of common law, regulation, statute or treaty.

“Liability” means any and all claims, rights, demands, causes of action, liabilities (including civil fines), Taxes, obligations, damages, losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys’ fees) in connection therewith.

“Material Adverse Effect” means any change, event or occurrence that individually or in the aggregate (taking into account all other such changes, events or occurrences) has had a material adverse change in or material adverse effect on the Assets taken as a whole, but excluding (a) any change or effect to the extent that it results from or arises out of (i) the pendency of the Bankruptcy Case or the financial condition of Seller; (ii) the execution and delivery of this Agreement or the announcement thereof or consummation of the transactions contemplated hereby; (iii) changes in (or proposals to change) Legal Requirements, generally accepted accounting principles or other accounting regulations or principles; (iv) acts of God, including hurricanes, storms and other natural disasters; or (v) any action contemplated by this Agreement or taken at the request of Buyer; (b) any change or effect generally applicable to (i) the industries and markets in which Seller operates or (ii) economic or political conditions or interest rates, exchange rates, commodity prices or the securities or financial markets in any country or region; (c) any outbreak or escalation of hostilities or war or any act of terrorism; (d) the departure of officers or directors of Seller after the Execution Date; (e) any objections in the Bankruptcy Court to (i) this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, (ii) the reorganization of Seller and any related plan of reorganization or disclosure statement, (iii) the Bidding Procedures or the Sale Motion, or (iv) the assumption or rejection of any Material Assigned Contract; (f) any Order of the Bankruptcy Court or any actions or omissions of Seller in compliance therewith; (g) any action taken by Seller at the request of, or with the consent of, Buyer; and (h) any of the matters disclosed on any Exhibit, Schedule or Disclosure Schedule to this Agreement.

“Material Assigned Contracts” means all Material Contracts that are Assigned Contracts.

“Material Contracts” means, to the extent related to the Assets, the following: (a) any Contract that can reasonably be expected to result in aggregate payments by or revenues to

Seller or Buyer with respect to the Assets of more than Two Hundred Thousand Dollars (\$200,000) net to the interest of Seller during the current or any future fiscal year (based solely on the terms thereof and without regard to any expected increase in volumes or revenues); (b) any Hydrocarbon purchase and sale, exchange, marketing, compression, gathering, transportation, processing, refining, treating, storage, handling or similar Contracts (in each case) to which Seller is a party (or to which any portion of the Assets is subject) with respect to Hydrocarbons or water from the Assets that is not terminable without penalty on thirty (30) days or less notice (including any Contract providing for volumetric or monetary commitments or indemnification therefor or for dedication of future production); (c) any Contract binding upon Seller to acquire, sell, lease, farmout, develop or otherwise dispose of or encumber any interest in any of the Assets after the Effective Date, other than (i) conventional rights of reassignment arising in connection with Seller's surrender or release of any of the Assets (except where any such right of reassignment has already been triggered) or (ii) conventional rights of reassignment arising in connection with a payout, risk penalty, recoupment period or similar obligation where Seller's Net Revenue Interest after reassignment, or Seller's after-payout interest, is reflected on Exhibit D; (d) any Contract that would, by its express terms, obligate Seller or Buyer to drill additional wells or conduct other material development operations after the Execution Date; (e) any Contract that constitutes a non-competition agreement or any agreement that purports to restrict, limit, or prohibit the manner in which, or the locations in which, Seller conduct business, including areas of mutual interest; (f) any Contract providing for any call upon, option to purchase, or similar rights with respect to the Assets or to the production therefrom or the processing thereof, or that is a dedication of production or otherwise requires production to be transported, processed or sold in a particular fashion; (g) any Contract that constitutes a joint or unit operating agreement whereby Seller is the Operator thereunder, and any other Contract constituting a joint or unit operating agreement to which Seller is a party and which is in Seller's possession, (h) any Contract that is a seismic or other geophysical acquisition agreement or license, (i) any Contract between Seller and any member of the Seller Group or any Affiliate of Seller; and (j) any Contract where the primary and principal purpose thereof is to provide a guarantee or indemnity, including, without limitation, any guaranty or letter of credit required to secure any Seller Credit Obligations.

“Meadowlark Agreement” means that certain Crude Oil Transportation Agreement, dated January 31, 2014, between Seller and Meadowlark Midstream Company, LLC.

“Mineral Interests” means all mineral fee interests, mineral rights and mineral servitudes in which Seller owns an interest, including royalty interests, overriding royalty interests, net profits interests, production payments and other rights of a similar nature, whether legal or equitable, whether vested or contingent.

“Miscellaneous Corporate Property” has the meaning set forth in Section 2.1(b)(v).

“Net Revenue Interest” means, for any Well, Seller's aggregate share of the Hydrocarbons produced, saved and marketed therefrom (after satisfaction of all other royalties, overriding royalties, nonparticipating royalties, net profits interests, or other similar burdens on or measured by production of Hydrocarbons).

“Non-Disclosure Agreement” has the meaning set forth in Section 13.1.

“NORM” means naturally occurring radioactive materials.

“ONEOK Agreement” means that certain Gas Purchase Agreement, dated March 15, 2012, between Seller and ONEOK Rockies Midstream, LLC, as amended by that certain Amendment to the Gas Purchase Agreement, dated November 1, 2013, between such parties.

“ONEOK Agreement Rejection Liabilities” has the meaning set forth in Section 2.5(e).

“Order” means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

“Outside Date” has the meaning set forth in Section 11.1(a)(iii).

“Party” or “Parties” means, individually or collectively, Buyer and Seller.

“Party Affiliate” has the meaning set forth in Section 13.13.

“Patents” means United States and foreign patents and patent applications, as well as any continuations, continuations-in-part, divisions, extensions, reexaminations, reissues, renewals and patent disclosures related thereto.

“Permits” has the meaning set forth in Section 2.1(b)(vii).

“Permitted Encumbrances” means any of the following: (a) any rights, obligations, or duties reserved to or vested in any municipality or other Governmental Authority to: (i) control or regulate any Asset in any manner including all applicable Legal Requirements, (ii) purchase, condemn, expropriate, or recapture any Asset, (iii) consent to a purchaser of any Asset, or (iv) use any Asset in any manner; (b) the terms and conditions of all Assigned Contracts, but only to the extent that they do not, individually or in the aggregate, (i) operate to reduce Seller’s Net Revenue Interest in a Well below that shown in **Exhibit D**, or increase Seller’s Working Interest in a Well above that shown in **Exhibit D** without a proportionate increase in the Net Revenue Interest, or (ii) adversely affect the ownership and/or operation of the affected Assets in any material respect; (c) subject to Section 2.6, any consent applicable to the transactions contemplated hereby; (d) easements, rights-of-way, servitudes, permits, surface leases and other similar rights on, over or in respect of any of the Assets, as long as any such encumbrances, individually or in the aggregate, do not interfere in any material respect with the use or operation of the Assets burdened thereby; (e) royalties, overriding royalties, production payments, net profits interests, reversionary interests, carried interests, and similar burdens with respect to a Well if the net cumulative effect of such burdens does not operate to reduce Seller’s Net Revenue Interest in such Well below that shown in **Exhibit D**, or increase Seller’s Working Interest in such Well above that shown in **Exhibit D** without a proportionate increase in the Net Revenue Interest; (f) defects or irregularities of title (i) as to which the relevant statute(s) of limitations or prescription would bar any attack or claim against Seller’s title, (ii) arising out of lack of corporate authorization or a variation in corporate name, (iii) consisting of the failure to recite marital status or omissions of heirship proceedings in documents, or (iv) resulting from lack of survey unless a survey is required by applicable Legal Requirements, in each case, unless Buyer provides evidence that such defect or irregularity could result in another Person’s superior claim to title; (g) liens or other Encumbrances for Taxes that are (i) not yet due and payable, (ii) thereafter payable without penalty or (iii) being contested in good faith by appropriate proceedings, as long as, in the cause of clauses (ii) and (iii), disclosed on Schedule 1.1(d); (h) materialman’s, mechanic’s, repairman’s, employee’s, contractor’s, operator’s and other similar liens or Encumbrances arising in the ordinary course of business for payments not yet delinquent

that are inchoate and have not been perfected pursuant to law or that are contained in joint operating agreements or similar agreements covering the Assets and, in each case, that will be released at Closing from the Assets pursuant to the Sale Order without cost or Liability to Buyer; (i) Imbalances shown on Schedule 5.7; (j) plugging and surface restoration obligations; (k) all rights to consent or approval by, required notices to, filings with, or other actions by, Governmental Authorities in connection with the conveyance of the Assigned Leases and Interests, if the same are customarily sought and received after the Closing; (l) the terms and conditions of the Assigned Leases and Interests, including any depth limitations or similar limitations that may be set forth therein and any liens or security interests reserved in the Assigned Leases and Interests for royalty, bonus, or rental, or for compliance with the terms of the Assigned Leases and Interests securing obligations arising after the Closing Date; but only to the extent that they do not, individually or in the aggregate, (i) operate to reduce Seller's Net Revenue Interest in a Well below that shown in Exhibit D, or increase Seller's Working Interest in a Well above that shown in Exhibit D without a proportionate increase in the Net Revenue Interest, or (ii) adversely affect the ownership and/or operation of the affected Assets in any material respect; (m) mortgages on the lessor's interest under an Assigned Lease and Interest; (n) subject to Section 8.10, Preferential Purchase Rights listed on Disclosure Schedule 5.10 with respect to which, prior to Closing, waivers are obtained from the appropriate parties or the time for asserting such rights has expired without an exercise of such rights; (o) any maintenance of uniform interest provision in an operating agreement if waived by the party or parties having the right to enforce such provision or if the violation of such provision would not give rise to the unwinding of the sale of the affected Asset from Seller to Buyer; (p) liens or trusts arising in connection with workers' compensation, unemployment insurance, or pension securing obligations that are not yet due and payable and that will be released from the Assets by the Final Order at Closing; (q) conventional rights of reassignment obligating Seller to reassign its interest in any portion of the Assigned Leases and Interests to a third party, if such right is only triggered when Buyer expressly indicates its intention to release or abandon such interest prior to the expiration of the primary term or other termination of such interest; (r) defects based solely on lack of information in Seller's files; and (s) any Encumbrances that will be released by the Sale Order without cost or Liability to Buyer.

"Person" means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

"Post-Closing Covenant" means any covenant required to be performed by a Party under this Agreement following the Closing.

"Preferential Purchase Right" means any right or agreement that enables any Person to purchase or acquire any Asset or any interest therein or portion thereof as a result of or in connection with the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby.

"Preliminary Settlement Statement" means that certain statement provided by Seller to Buyer pursuant to Section 8.12, as amended (if applicable) by mutual agreement prior to Closing, setting forth those initial adjustments to the Base Purchase Price made at Closing.

“Proceeding” means any Action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority.

“Properties” has the meaning set forth in Section 2.1(b)(ii).

“Property Costs” means all operating, production, development, and maintenance expenses and capital expenditures directly attributable to the Assets incurred in the ordinary course of business, this Agreement and applicable operating agreements and Contracts, including any rentals, royalties, and general, administrative or overhead costs payable to third parties under such operating agreements and Contracts; *provided* that “Property Costs” shall not include (a) any Taxes or Casualty Losses or (b) any general, administrative or overhead costs of Seller (other than costs that can be customarily charged as direct expenses under applicable joint operating agreements), or amounts incurred to cure or attempting to cure any title or environmental defects and, in the case of this clause (b), such costs and expenses shall constitute Excluded Liabilities.

“Purchase Price” has the meaning set forth in Section 3.1.

“Records” has the meaning set forth in Section 2.1(b)(xi).

“Representative” means, with respect to a particular Person, any director, officer, member, manager, partner, employee, agent, consultant, advisor, investor, shareholder, contractor, subcontractor or other representative of such Person, including legal counsel, accountants and financial advisors.

“Sale Motion” means the motion or motions, in form and substance reasonably satisfactory to Buyer, filed by Seller pursuant to, *inter alia*, Sections 105, 363 and 365 of the Bankruptcy Code seeking entry of the Bidding Procedures Order and the Sale Order and approval of the transactions contemplated by this Agreement.

“Sale Order” means an Order of the Bankruptcy Court, in form and substance approved by Buyer (such approval not to be unreasonably withheld or conditioned so long as the Order is not inconsistent with, and does not limit the rights of Buyer under, this Agreement or the Bidding Procedures), pursuant to, *inter alia*, Sections 105, 363 and 365 of the Bankruptcy Code authorizing and approving, *inter alia*, the sale of the Assets to Buyer on the terms and conditions set forth herein, free and clear of all Encumbrances (including without limitation, any Excluded Receivables Liabilities), and the assumption and assignment of the Assigned Contracts and the Assigned Leases and Interests to Buyer, and containing a finding that Buyer has acted in “good faith” within the meaning of Section 363(m) of the Bankruptcy Code, a proposed version of which Order is to be filed by Seller with the Bankruptcy Court no later than ten (10) days prior to the hearing on the Sale Motion.

“Secured Debt” means the obligations of the Debtors arising from: (a) the First Lien Credit Agreement dated as of December 21, 2011, by and between Samson Investment Company, as borrower, the First Lien Agent, and the First Lien Secured Parties (as defined therein) as amended, restated, supplemented, or otherwise modified from time to time thereafter, and the other Credit Documents (as defined in the First Lien Credit Agreement), and (b) the Second Lien Credit, dated as of September 25, 2012, by and between Samson Investment Company, as borrower, the Second Lien Agent, and the Second Lien Lenders (as defined therein) as amended, restated, supplemented, or otherwise modified from time to time.

“Seller” has the meaning set forth in the introductory paragraph.

“Seller Credit Obligations” has the meaning set forth in Section 8.4(c).

“Seller Group” means Seller, its respective Affiliates and the former, current or future partners, co-owners, equity holders and Representatives of each of the foregoing.

“Seller Termination Notice” has the meaning set forth in Section 11.1(c)(i).

“Severance Obligation” has the meaning set forth in Section 8.5(b).

“Shop Period” means the period from and after the date of entry by the Bankruptcy Court of the Bidding Procedures Order and until the Auction.

“Straddle Periods” means any tax period beginning before and ending after the Effective Date.

“Subsidiary” means any entity with respect to which a specified Person (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect a majority of the directors or similar managing body.

“Successful Bidder” has the meaning set forth in the Bidding Procedures.

“Superior Proposal” means any bona fide proposal or offer to or from a Person other than Buyer or its Representatives with respect to (i) any plan of reorganization or liquidation, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of assets or equity interests or restructuring involving Seller or any of its material assets, properties or businesses, or (ii) any other direct or indirect acquisition involving Seller and/or one or more of its Subsidiaries or any of their material assets, properties or businesses, that, in each case, the board of directors of Seller has determined in good faith, after consultation with its outside financial advisors and outside legal counsel, would, if consummated, result in a transaction involving the Assets that is superior to Seller than the transactions contemplated hereunder and inconsistent with the transactions contemplated hereunder, taking into account all fundamental terms thereof, including (x) the likelihood and timing of consummation (as compared to the transactions contemplated hereunder) and (y) all material legal, financial (including the financing terms of any such proposal), conditionality, regulatory and other aspects of such proposal.

“Surface Rights” means all surface leases, subsurface leases, rights-of-way, licenses, easements, and other surface or subsurface rights agreements applicable to, or used or held in connection with the ownership, operation, maintenance or repair of, or the production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from, the Properties, together with all surface fee interests in the lands covered by the Assigned Leases and Interests.

“Suspense Funds” means proceeds of production and associated penalties and interest in respect of any of the Assets that are payable to third parties and are being held in suspense by Seller as the operator of such Assets.

“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and

services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers' compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis, or in any other manner, including any interest, penalty or addition thereto, whether disputed or not.

“Tax Allocation” has the meaning set forth in Section 8.2.

“Tax Partnership” has the meaning set forth in Section 5.13(e).

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Terminated Employees” has the meaning set forth in Section 8.5(a).

“Trademarks” means United States, state and foreign trademarks, service marks, logos, slogans, trade dress and trade names, Internet domain names and any other similar designations of source of goods or services, whether registered or unregistered, and registrations and pending applications to register the foregoing, and all goodwill related to or symbolized by the foregoing.

“Transaction Documents” means this Agreement and any other agreements, instruments or documents entered into pursuant to this Agreement.

“Transfer Taxes” has the meaning set forth in Section 8.1(a).

“Transferred Employees” has the meaning set forth in Section 8.5(a).

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988 and any similar Legal Requirement.

“Wells” has the meaning set forth in Section 2.1(b)(ii).

“Working Interest” means, for any Well, that share of costs and expenses associated with the exploration, maintenance, development and operation of such Well that Seller is required to bear and pay.

1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Dollars. Any reference in this Agreement to \$ means United States dollars.

(iii) Exhibits/Schedules/Disclosure Schedules. All Exhibits, Schedules and Disclosure Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit, Schedule or Disclosure Schedule but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference in this Agreement to gender includes all genders, and words imparting the singular number only include the plural and vice versa.

(v) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any "Section" or "Article" are to the corresponding Section or Article of this Agreement unless otherwise specified.

(vi) Herein. Words such as "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.

(vii) Including. The word "including" or any variation thereof means "including, without limitation," and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(viii) Statute. Unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder; *provided* that, for the purposes of the representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance with, any Legal Requirement, the reference to such Legal Requirement means such Legal Requirement as in effect at the time of such violation or non-compliance or alleged violation or non-compliance

(b) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsperson shall be applied against any Person with respect to this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Seller shall sell, transfer, assign, convey and deliver, or cause to be sold,

transferred, assigned, conveyed and delivered, to Buyer, and Buyer shall purchase from Seller, the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances).

(b) The “Assets” shall include all right, title and interest of Seller in, to or under the following:

(i) all Leases and Mineral Interests (other than the Excluded Leases and Interests) in the States of Montana and North Dakota, including all Leases and Mineral Interests (other than the Excluded Leases and Interests) described on **Exhibit C** attached hereto, and those Lease interests and Mineral Interests located in, under or that may be produced from or attributable to (1) the lands covered by such Leases or Mineral Interests, and (2) the Leases and lands included in any units with which such Leases, the Mineral Interests or the lands covered thereby may have been pooled, unitized or communitized (collectively, the “Assigned Leases and Interests”);

(ii) all of the oil, gas, water, disposal, observation, injection or other wells located on or traversing the Assigned Leases and Interests, on lands pooled, unitized or communitized with any portion thereof, on lands located within any governmental drilling or spacing unit (if applicable) which includes any portion thereof, or on portions thereof associated with proved undeveloped reserves, whether producing, non-producing, plugged, unplugged, shut-in or abandoned, including those described on **Exhibit D** (collectively, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(iii) all Hydrocarbons (1) in storage beyond a custody transfer point as of the Effective Date, but only to the extent Seller receives an upward adjustment to the Base Purchase Price pursuant to Section 8.11(a)(i), and (2) produced from or attributable to the Properties and not yet past a custody transfer point on the Effective Date or produced on and after the Effective Date, and all proceeds attributable thereto;

(iv) all equipment, machinery, fixtures and other tangible personal property and improvements located on, used or held for use, or otherwise obtained in connection with the ownership or operation of the Properties, including tanks, boilers, plants, injection facilities, saltwater disposal facilities, compressors and other compression facilities (whether installed or not), pumping units, flow lines, pipelines, gathering systems, Hydrocarbon treating or processing systems or facilities, meters, machinery, pumps, motors, gauges, valves, power and other utility lines, roads, computer and automation equipment, telecommunications equipment, field radio telemetry and associated frequencies and licenses, pressure transmitters, central processing equipment and other appurtenances, improvements and facilities, including the items described on **Exhibit H** (collectively, the “Equipment”);

(v) all vehicles and other rolling stock, office leases, field offices, storage yards, and data and software described on Schedule 2.1(b)(v) (collectively, the “Miscellaneous Corporate Property”);

(vi) all pipes, casing, tubing, tubulars, fittings, and other spare parts, supplies, tools, and materials located on, used or held for use on or held as inventory in connection with the ownership or operation of the Properties, Miscellaneous Corporate Property or Equipment;

(vii) to the extent transferable pursuant to applicable Legal Requirements, all governmental (whether federal, state or local) permits, licenses, authorizations,

franchises, grants, easements, variances, exceptions, consents, certificates, approvals and related instruments or rights of any Governmental Authority or other third party, and any writ, judgment, decree, award, order, injunction or similar order, writ, ruling, directive or other requirement of any Governmental Authority (in each such case whether preliminary or final) required of Seller for the ownership, operation or use of the Properties, Miscellaneous Corporate Property or Equipment (collectively, the “Permits”);

(viii) all Contracts described on Exhibit E attached hereto, in each case, insofar as they relate to any other Asset (collectively, the “Assigned Contracts”);

(ix) all Surface Rights, including those described on Exhibit I;

(x) except with respect to the Excluded Assets and the Excluded Liabilities, all claims, refunds, credits, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller to the extent related to the Assets and arising or relating to events occurring from and after the Effective Date or related to the Assumed Liabilities;

(xi) all information, books, databases, files, records and data (other than the Excluded Records), whether in written or electronic format, relating to any Asset and/or to any Assumed Liabilities (collectively, the “Records”), which Records shall include all reservoir, land, operation and production files and records, inclusive of lease records, well records, division order records, property ownership reports and files, contract files and records, well files, title records (including abstracts of title, title opinions and memoranda, and title curative documents), correspondence, production records, prospect files and other prospect information, supplier lists and files, customer lists and files; and all other data including proprietary and non-proprietary engineering, geological, geophysical and seismic data, files and records (but only to the extent transferable without material third party restriction (including a material restriction against assignment without prior consent)), inclusive of maps, logs, core analysis, formation tests, cost estimates, studies, plans, prognoses, surveys and reports, and including raw data and any interpretive data or information relating to the foregoing, and any other proprietary data in the actual possession or control of Seller or which Seller has the right to obtain (either without the payment of money or delivery of other consideration or unduly burdensome effort or, upon Buyer’s written election, at Buyer’s expense) and relating to the ownership, operation, development, maintenance or repair of, or the production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from, the other Assets; *provided* that (x) if any Records can only be assigned to Buyer upon payment of a fee or penalty to a third party, then such Records shall be Excluded Assets unless Buyer agrees in writing to bear responsibility for such fee or penalty and (y) if any proprietary and non-proprietary engineering, geological, geophysical and seismic data, files and records can only be transferred after obtaining a material third party consent, Seller shall use commercially reasonable efforts to assist Buyer in obtaining such consent, provided that Seller shall be under no obligation to pay or incur any fees in connection with assisting Buyer in obtaining such consent;

(xii) all cash call pre-payments and other refunds due to Seller for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Effective Date;

(xiii) that certain intellectual property being more particularly described on Schedule 2.1(b)(xiii); and

(xiv) all (1) trade credits, accounts receivable, note receivables, take or pay amounts receivable, and other receivables attributable to the other Assets (in each case, excluding the Excluded Receivables), with respect to any period of time on and after the Effective Date and (2) Known Pre-Effective Time Receivables.

2.2 Excluded Assets.

Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the transaction contemplated hereby, the following (collectively, the “Excluded Assets”):

- (a) the Purchase Price delivered to Seller pursuant to this Agreement;
- (b) subject to the adjustments to the Purchase Price set forth in Section 8.11, all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding any item described in Schedule 2.2(b);
- (c) subject to Section 2.1(b)(iii)(1), all Hydrocarbons produced from or attributable to the Properties prior to the Effective Date, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Date, and Hydrocarbons above a custody transfer point on the Effective Date, and all proceeds attributable thereto;
- (d) any shares of capital stock or other equity interest of Seller or any of Seller’s Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Seller or any of Seller’s Subsidiaries;
- (e) all minute books, stock ledgers, corporate seals and stock certificates of Seller;
- (f) all Excluded Records;
- (g) all Excluded Leases and Interests;
- (h) all Excluded Contracts;
- (i) all rights to any refunds of Taxes (or other related costs or expenses) that are borne by or the responsibility of Seller, attributable to any Tax asset of Seller, or to which Seller is otherwise entitled hereunder;
- (j) subject to Section 8.8 and except to the extent attributable to any Assumed Liabilities or any of the Assets, all insurance policies and rights to proceeds thereof;
- (k) all Permits and pending applications therefor to the extent related to any other Excluded Asset or the Excluded Liabilities;
- (l) all Intellectual Property;
- (m) all prepayments, good faith and other bid deposits submitted by any third party under the terms of the Bidding Procedures Order;

(n) all claims, refunds, loss carry forwards, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller, other than those constituting Assets;

(o) all rights, claims or causes of action by or in the right of Seller against any current or former director or officer of Seller (other than warranties and similar claims that benefit the Assets);

(p) the Avoidance Actions;

(q) any rights, claims or causes of action of Seller under this Agreement or any other Transaction Document;

(r) all Excluded Receivables;

(s) any Benefit Plan; and

(t) all of the oil, gas, water, disposal, observation, injection or other wells located in the state of Montana, including (x) the Crusch Two Fee 14-18 well and (y) any other wells that are producing, non-producing, plugged, unplugged, shut-in or abandoned, and any oil and gas leases and interests to the extent related thereto (collectively, the “Excluded Montana Wells”).

2.3 Assumed Liabilities.

Upon the terms and subject to the conditions of this Agreement and the Sale Order, on the Closing Date, Buyer shall execute and deliver to Seller the Assumption Agreement in the form attached hereto as **Exhibit F** (the “Assumption Agreement”) pursuant to which Buyer shall assume and agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), only the following Liabilities (collectively, the “Assumed Liabilities”):

(a) Assigned Contracts. All of Seller’s Liabilities under the Assigned Contracts arising at or after the Effective Date.

(b) Properties. All of Seller’s plugging and abandonment obligations relating to the Properties, whether arising prior to, at or after the Effective Date, and all of Seller’s other Liabilities (including Environmental Liabilities) under the Properties that are attached to or run with the Assets (*i.e.*, excluding personal Liabilities of Seller that are not attached to the Assets) to the extent such Liabilities arise after the Effective Date;

(c) Cure Costs. Subject to Section 2.5 and Section 8.10(b), all Cure Costs.

(d) Suspense Funds. All obligations of Seller with respect to (and to the extent) the distribution of the amount by which the Purchase Price is reduced at Closing in respect of the Suspense Funds, together with any escheatment obligations related thereto and arising after the Closing.

(e) Buyer Taxes. All Asset Taxes that are the responsibility of the Buyer pursuant to Section 8.1(b).

(f) Transfer Taxes. All Transfer Taxes.

(g) Transferred Employees. All Liabilities (including those arising under the WARN Act) relating to Transferred Employees, to the extent such Liabilities arise on or after the Closing Date.

(h) Royalties and Payment Obligations. All obligations relating to (i) the accounting for, failure to pay or the incorrect payment to any royalty owner, overriding royalty owner, working interest owner or other interest holder under the Assets and escheat obligations, in each case, insofar as the same are attributable to periods, and Hydrocarbons produced and marketed with respect to the Asset, at or after the Effective Date, and (ii) the Assumed Credits.

(i) Other Assets. To the extent not already described in Section 2.3(a) through (h) above, all Property Costs arising from, related to or associated with the Assets, in each case, to the extent arising at or after the Effective Date.

(j) ONEOK Agreement Rejection Liabilities. To the extent applicable, the ONEOK Agreement Rejection Liabilities.

The assumption by Buyer of the Assumed Liabilities shall not, in any way, enlarge the rights of any third parties relating thereto. For the avoidance of doubt, all Liabilities to third parties related to the Assets arising on or before the Effective Date shall not be Assumed Liabilities unless specifically provided in this Agreement.

2.4 Excluded Liabilities.

Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Seller, and Seller shall be solely and exclusively liable with respect to all Liabilities of Seller, other than the Assumed Liabilities (such Liabilities other than Assumed Liabilities, collectively, the “Excluded Liabilities”). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities shall include, without limitation, each of the following Liabilities of Seller, other than the Assumed Liabilities:

- (a) all indebtedness for borrowed money of Seller;
- (b) all guarantees of third party obligations by Seller and reimbursement obligations to guarantors of Seller’s obligations or under letters of credit;
- (c) all accrued expenses and accounts payables;
- (d) Tax liabilities of Seller other than Transfer Taxes and Asset Taxes that are the responsibility of Buyer pursuant to Section 8.1(b);
- (e) those Actions and Proceedings set forth on or required to be set forth on Disclosure Schedule 5.14;
- (f) all Liabilities of Seller to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;
- (g) all Excluded Receivables Liabilities;
- (h) subject to Section 8.5(b), all Liabilities relating to the Terminated Employees and any other Applicable Employees that are not Transferred Employees;

(i) any claims to the extent related to the Excluded Assets (including all claims and Liabilities (including environmental Liabilities) arising from, associated with or attributable to the Excluded Montana Wells);

(j) obligations under any futures contracts, options on futures, swap agreements or forward sale agreements entered into by Seller; and

(k) all obligations relating to the accounting for, failure to pay or the incorrect payment to or from any royalty owner, overriding royalty owner, working interest owner or other interest holder under the Assets (including under the ONEOK Agreement, if applicable) and escheat obligations, in each case, (i) insofar as the same are attributable to periods, and Hydrocarbons produced and marketed with respect to the Asset, prior to the Effective Date, and (ii) excluding the Assumed Credits.

2.5 Cure Costs.

(a) Promptly after the Closing, Buyer shall pay or cause to be paid, pursuant to Section 365 of the Bankruptcy Code and the Sale Order, any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Assigned Contracts (the "Cure Costs") to which Seller is a party and which are included in the Assets.

(b) Schedule 2.5 sets forth Seller's good faith estimate of the amount of the Cure Costs for each Contract of Seller (the "Estimated Cure Costs") (and if Seller determines in good faith that no Cure Cost is estimated to be payable in respect of any particular Contract, the amount of such Cure Cost designated for such Contract shall be "\$0.00"). Seller represents and warrants to Buyer that the Estimated Cure Costs with respect to each such Contract reflects, if applicable, the amount of Cure Costs that may have been agreed to between Seller and a counterparty as well as any Cure Costs that may have been asserted by any non-debtor parties, but which have not been resolved prior to the Execution Date. Within five (5) Business Days after the entry of the Bidding Procedures Order, Seller shall deliver a written notice in a form reasonably acceptable to Buyer to all non-debtor counterparties to any Contract of Seller stating: (1) the Estimated Cure Cost for such Contract and (2) an objection deadline for such non-debtor party to object to such Estimated Cure Cost (which objection deadline shall be no earlier than seven (7) days following delivery of such written notice and shall be at least 21 days prior to the Closing Date). If any non-debtor party objects to an Estimated Cure Costs, Seller shall promptly after receiving such objection notify Buyer in writing of such objection (and thereafter keep Buyer reasonably informed as to the resolution of such objection).

(c) At any time prior to the Determination Date, Buyer shall have the right, which may be exercised in Buyer's sole discretion, to provide written notice to Seller of Buyer's election to:

(i) designate a Contract (including any Contract that is an Assigned Contract immediately before such designation) as an Excluded Asset, and upon such designation such Contract shall constitute an Excluded Asset (and, if applicable, shall cease to constitute an Assigned Contract); and

(ii) designate a Contract that is related to the Assets (excluding any Contract that is related to any Excluded Liabilities) as an Assigned Contract, and upon such designation such Contract shall constitute an Assigned Contract (and, if applicable, shall cease to constitute an Excluded Asset);

provided, that notwithstanding anything to the contrary in this Section 2.5(c), Buyer may not designate the Meadowlark Agreement as an Excluded Contract under this Section 2.5(c).

(d) From and following the Determination Date until the Closing Date, Buyer shall have the right to propose to designate any Contract as an Assigned Contract or as an Excluded Contract; *provided*, that any such designation shall require the prior consent of Seller.

(e) Notwithstanding anything in this Section 2.5 to the contrary, solely with respect to the ONEOK Agreement, (i) Section 2.5(c) and Section 2.5(d) shall not apply and (ii) this Section 2.5(e) shall control. As of the Execution Date, the ONEOK Agreement shall be included as an Assigned Contract on Exhibit E. At any time prior to the Determination Date, Buyer may designate the ONEOK Agreement as an Excluded Contract, and upon such designation the ONEOK Agreement shall constitute an Excluded Contract and shall cease to constitute an Assigned Contract. Additionally, to the extent the ONEOK Agreement is designated as an Excluded Contract pursuant to the preceding sentence prior to the Determination Date, then at any time following the Determination Date until the Closing Date, Buyer shall have the right to re-designate the ONEOK Agreement as an Assigned Contract, and upon such designation the ONEOK Agreement shall constitute an Assigned Contract and shall cease to constitute an Excluded Contract. If the ONEOK Agreement is designated by Buyer as an Excluded Contract, then, unless the ONEOK Agreement is re-designated as an Assigned Contract pursuant to the preceding sentence, Seller agrees, upon notice of such designation from Buyer to seek to reject the ONEOK Agreement as promptly as reasonably practicable following such designation. Buyer shall be responsible (and agrees to promptly reimburse Seller) for all reasonable out-of-pocket costs and expenses of Seller's counsel and Seller's other advisors incurred in any adversary proceeding or contested matter arising from such rejection or attempted rejection of the ONEOK Agreement (the "ONEOK Agreement Rejection Liabilities"). In the event of a Bankruptcy Court order denying rejection of the ONEOK Agreement by Seller, Seller shall promptly thereafter assume and assign and convey to Buyer, and Buyer shall accept, all of Seller's right, title and interest in and to the ONEOK Agreement. Notwithstanding the provisions set forth in this Section 2.5(e), the Parties agree and acknowledge that rejection or attempted rejection of the ONEOK Agreement shall not constitute a condition to the obligations of either Party to consummate the transactions contemplated by this Agreement, nor shall any rejection or attempted rejection delay, in any manner, the Closing of the transactions contemplated hereby.

(f) Seller shall give written notice to Buyer prior to the submission by Seller of any motion in its Bankruptcy Case to assume or reject any Contract that is related to the Assets, together with a copy of the proposed order; *provided, however*, that in no event shall Seller seek to reject, or reject, any Contract prior to the Determination Date unless prior written approval has been obtained from Buyer; and *provided, further*, that Seller shall not seek to reject, or reject, any Contract that is an Assigned Contract.

(g) If Buyer exercises its rights in clause (c)(i) above to designate a Contract, including a Contract that was an Assigned Contract immediately before such designation, as an Excluded Asset, there shall be no reduction in or increase to the Purchase Price as a result of such designation or change in designation.

2.6 Assignment of Assets Subject to Consent Requirements.

If prior to the Closing Date any consent to assignment applicable to the transactions contemplated hereby (other than governmental consents or approvals customarily obtained post-Closing) (a) has not been obtained, waived or satisfied, or (b) is no longer applicable to the transactions contemplated hereby by reason of any Bankruptcy Court Order, and further, failure to obtain such third party consent or waiver may result in termination of a Lease, including causing such to be void or voidable (each such consent, a “Hard Consent”), the Properties affected by such third party Hard Consent shall be held back from the Assets conveyed at Closing and the Base Purchase Price shall be reduced by the Allocated Value of such excluded Assets. From and after the date hereof Seller shall use its commercially reasonable efforts to obtain any Hard Consents (including delivering additional notices to all third parties holding any Hard Consents as promptly as practicable following the date of this Agreement); *provided* that nothing in this sentence shall (i) require Seller to make any out-of-pocket expenditure or incur any obligation on its own or on behalf of Buyer for which funds in the full amount of such expenditure or obligation are not provided to Seller by Buyer in advance in cash or (ii) prohibit Seller from ceasing operations or winding up its affairs following the Closing. If a Hard Consent is obtained within 90 days following Closing, any Property so held back at the Closing will be conveyed to Buyer within ten (10) Business Days after such Hard Consent has been obtained, waived or otherwise satisfied. At such subsequent closing, Seller shall contribute, assign, transfer and convey to Buyer, and Buyer shall acquire, pay for and accept from Seller, such Property pursuant to the terms of this Agreement. Except for Hard Consents, if any consents to the assignment of any Asset are not obtained prior to Closing, then with respect to each affected Asset, the affected Assets shall nevertheless be sold and conveyed to Buyer at the Closing and Buyer shall pay for the affected Asset(s) at Closing in accordance with this Agreement as though the Consent had been obtained (including the payment by Buyer to Seller of the Allocated Value of such excluded Assets (as adjusted pursuant to Section 8.11)).

2.7 Further Assurances.

The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents (including, if reasonably requested by Buyer, the obtaining by Seller of further orders of the Bankruptcy Court) and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; *provided* that nothing in this Section 2.7 shall prohibit Seller from ceasing operations or winding up its affairs following the Closing.

ARTICLE 3

PURCHASE PRICE

3.1 Purchase Price.

The purchase price for the purchase, sale, assignment and conveyance of Seller’s right, title and interest in, to and under the Assets shall consist of the following (collectively, the “Base Purchase Price”):

(a) cash in an amount equal to Seventy-Five Million and No/100 Dollars (\$75,000,000); and

(b) the assumption of the Assumed Liabilities.

Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Sections 2.6 and 8.11 through 8.13 hereof (as adjusted, the “Purchase Price”). The cash components of the Purchase Price shall be delivered by Buyer as set forth in Section 4.2.

3.2 Deposit.

Prior to the execution of this Agreement, Buyer has paid to JPMorgan Chase Bank, N.A. (“Escrow Agent”), pursuant to that certain escrow agreement by and among Seller, Buyer and Escrow Agent, a deposit in the amount of Three Million Seven Hundred Fifty Thousand and No/100 Dollars (\$3,750,000) (the “Initial Deposit”). Within one (1) Business Day following the approval of the Bidding Procedures, Buyer shall pay to Escrow Agent a deposit in the amount of Three Million Seven Hundred Fifty Thousand and No/100 Dollars (\$3,750,000) (together with the Initial Deposit, and all interest accrued on the Initial Deposit and such additional amount, the “Deposit”), such amount collectively representing ten percent (10%) of the Base Purchase Price. At Closing, the Parties shall cause the Escrow Agent to release the Deposit less the Adjustment Escrow Amount to Seller, and the Deposit shall be credited against the amount required to be paid by Buyer to Seller at Closing. If this Agreement is terminated by Seller prior to Closing pursuant to Section 11.1(c)(i), then the Parties shall cause the Escrow Agent to release the Deposit to Seller within two (2) Business Days of such termination, and such amount shall constitute liquidated damages (and not a penalty). If this Agreement is terminated prior to Closing for any other reason, then the Parties shall cause the Escrow Agent to release the Deposit to Buyer within two (2) Business Days of such termination. Following Closing, the Adjustment Escrow Amount shall be released pursuant to Section 8.13(b).

ARTICLE 4

CLOSING

4.1 Closing Date.

Upon the terms and subject to the conditions hereof, the closing of the sale of the Assets and the assumption of the Assumed Liabilities contemplated hereby (the “Closing”) shall take place at the office of Seller at Samson Plaza, Two West Second Street, Tulsa, Oklahoma 74103 (or at such other location as the Parties may mutually agree), no later than three (3) Business Days following the date on which the conditions set forth in Article 9 and Article 10 have been satisfied or (if permissible) waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or (if permissible) waiver of such conditions). The date and time at which the Closing actually occurs is hereinafter referred to as the “Closing Date.”

4.2 Payment on the Closing Date.

Subject to satisfaction or (if permissible) waiver of the conditions set forth in Article 9 and Article 10, at the Closing, (a) Buyer shall pay (or cause to be paid) the cash components of the Purchase Price, less the Deposit, by wire transfer of immediately available funds to an account specified in writing by Seller prior to the Closing Date, and (b) as set forth in Section 3.2, the Parties shall deliver joint written instructions to the Escrow Agent to transfer from the Deposit the Adjustment Escrow Amount to the account designated by the Escrow Agent

in the Escrow Agreement and to release the Deposit less the Adjustment Escrow Amount to Seller.

4.3 Buyer's Deliveries.

At the Closing, Buyer shall deliver or cause to be delivered to Seller (or such other Persons where so designated):

(a) the cash consideration referenced in Section 3.1(a) to Seller in accordance with Section 4.2;

(b) the Assumption Agreement, duly executed by Buyer;

(c) a copy of Buyer's certificate of formation, certified as of a recent date by the Secretary of State of the State of Delaware;

(d) a copy of Buyer's limited liability agreement as in effect on the Closing Date;

(e) a certificate of good standing of Buyer issued as of a recent date by the Secretary of State of the State of Delaware;

(f) a certificate of the corporate secretary of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, as to (i) there having been no amendments to the certificate of formation of Buyer since the date of the certified certificate of formation delivered pursuant to Section 4.3(c); (ii) Buyer's authorization to execute and perform its obligations under the Transaction Documents to which Buyer is a party; and (iii) incumbency and signatures of the officers of Buyer executing the Transaction Documents;

(g) each other Transaction Document to which Buyer is a party, duly executed (and acknowledged, where applicable) by Buyer, including the Assignment, letters-in-lieu of transfer orders, change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements, and any other applicable forms and declarations required by federal and state agencies relative to Buyer's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets, in each case, in a form reasonably acceptable to Seller;

(h) the certificates of Buyer to be received by Seller pursuant to Sections 10.1 and 10.3;

(i) a counterpart of the Preliminary Settlement Statement executed by Buyer;

(j) evidence (including evidence of satisfaction of all applicable bonding or insurance requirements) as Seller may reasonably request demonstrating that Buyer is qualified with the applicable Governmental Authorities and pursuant to any applicable operating agreement to succeed Seller as the owner and, where applicable, the operator of the Assets;

(k) evidence reasonably satisfactory to Seller demonstrating that Buyer has fulfilled the requirements of Section 8.5(a) regarding offers of employment to active employees of Seller and its Subsidiaries (if applicable);

(l) if desired by Buyer, a counterpart of a transition services agreement, in form and substance mutually agreeable to the Parties; and

(m) such other assignments and other good and sufficient instruments of assumption and transfer, in form reasonably satisfactory to Seller, as Seller may reasonably request to transfer and assign the Assumed Liabilities to Buyer.

4.4 Seller's Deliveries.

At the Closing, Seller shall deliver to Buyer:

(a) the Assignment and each other Transaction Document to which Seller is a party (including letters-in-lieu of transfer orders and change of operator forms), in each case in a form reasonably acceptable to Buyer) duly executed (and acknowledged, where applicable) by Seller;

(b) the Assumption Agreement, duly executed by Seller;

(c) a certified copy of the Sale Order;

(d) the certificates of Seller to be received by Buyer pursuant to Sections 9.1 and 9.2;

(e) a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code §1445, stating that Seller is not a "foreign person" as defined therein;

(f) a counterpart of the Preliminary Settlement Statement executed by Seller;

(g) assignments of Federal, State and Indian leases on forms prescribed therefor, duly executed by Seller;

(h) UCC 3, mortgage releases, and other release documents, in form and substance reasonably acceptable to Buyer, to evidence the release of any and all Encumbrances arising from or relating to the Secured Debt;

(i) if requested by Buyer, a counterpart of a transition services agreement, in form and substance mutually agreeable to the Parties;

(j) all Records; and

(k) such other bills of sale, deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in form reasonably satisfactory to Buyer, as Buyer may reasonably request to vest in Buyer all the right, title and interest of Seller in, to or under any or all the Assets, in each case, in a form reasonably acceptable to Buyer.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants the following to Buyer:

5.1 Organization and Good Standing.

Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite corporate power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Seller is duly qualified or licensed to do business and is in good standing in each

jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary, except for such failures to be so qualified or licensed or in good standing as would not, individually or in the aggregate, have a Material Adverse Effect.

5.2 Authority; Validity; Governmental Authority Consents.

Seller has, subject to entry of the Sale Order, the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which Seller is a party and to consummate the transactions contemplated hereby and thereby, and, subject to entry of the Sale Order, the execution, delivery and performance of this Agreement and such other Transaction Documents by Seller and the consummation by Seller of the transactions contemplated herein and therein have been duly and validly authorized by all requisite corporate action. This Agreement has been duly and validly executed and delivered by Seller and each other Transaction Document required to be executed and delivered by Seller at the Closing will be duly and validly executed and delivered by Seller at the Closing. Subject to entry of the Sale Order, this Agreement and the other Transaction Documents constitute, with respect to Seller, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms. Except for (a) entry of the Sale Order, (b) notices, filings and consents required in connection with the Bankruptcy Case, (c) any applicable notices, filing, consents or approvals under any applicable antitrust, competition or trade regulation Legal Requirements, and (d) the notices, filings and consents set forth on Disclosure Schedule 5.2, to Seller's Knowledge, Seller is not required to give any notice to, make any filing with or obtain any consent from any Person (including any Governmental Authority) in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the transactions contemplated hereby and thereby, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.3 No Conflict.

When the consents and other actions described in Section 5.2, including entry of the Sale Order, have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default (with or without notice or lapse of time or both) under, or conflict with, or cause any acceleration of any obligation of Seller under (a) any agreement, indenture, or other instrument to which Seller is or the Assets are bound, (b) the certificate of incorporation, bylaws or other governing documents of Seller, (c) any Order or (d) any Legal Requirement, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.4 Material Assigned Contracts.

To Seller's Knowledge, (a) Disclosure Schedule 5.4 lists all Material Contracts in effect as of the Execution Date, to which Seller is a party or by which its interests in the Assets are bound, (b) all Material Assigned Contracts are in full force and effect, except (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of equity and (ii) as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (c) except for the Bankruptcy Case, no default or breach (or event that, with notice or lapse of time, or both, would become a default or breach) of any such Material

Assigned Contract, Lease or Surface Right has occurred or is continuing on the part of Seller, and (d) Seller has not received a written notice of any unresolved breach under any such Material Assigned Contract, Lease or Surface Right. To Seller's Knowledge, prior to the Execution Date, Seller has made available to Buyer complete and accurate copies of all Material Contracts, and any and all amendments, schedules and/or exhibits thereto.

5.5 Permits.

To Seller's Knowledge, (a) all necessary Permits with regard to the ownership or operation of the Assets have been obtained and maintained in effect, (b) Seller has not received written notice of default under any Permit and (c) no violations exist in respect of such Permits, except for such non-compliance and such facts, conditions or circumstances, the existence of which would not constitute a Material Adverse Effect.

5.6 Wells; Plug and Abandon Notice.

To Seller's Knowledge, except as set forth on Disclosure Schedule 5.6, there are no Wells (a) in respect of which Seller has received an order from any Governmental Authority or other Person requiring that such Wells be plugged and abandoned, or (b) that are neither in use for purposes of production or injection nor suspended or temporarily abandoned in accordance with applicable Legal Requirements, Lease or Contract but have not been plugged and abandoned.

5.7 Imbalances.

To Seller's Knowledge, all Imbalances relating to the Assets operated by Seller are reflected in Disclosure Schedule 5.7 as of the date stated therein. Additionally, for all non-operated Assets, Disclosure Schedule 5.7 sets forth, to Seller's Knowledge, the Imbalance information provided by the applicable operator.

5.8 AFEs.

As of the Execution Date, and to Seller's Knowledge, Disclosure Schedule 5.8 contains a list, true and correct as of the date set forth therein, of all authorities for expenditures (collectively, "AFEs") for capital expenditures with respect to the Assets in excess of One Hundred Thousand Dollars (\$100,000), net to Seller's interest, that have been proposed by any Person having authority to do so (including internal AFEs of Seller not delivered to third parties).

5.9 Hedging.

There are no futures, options, swaps or other derivatives with respect to the sale of Hydrocarbons from the Assets or interest rate swaps or other derivatives that are or will be binding on Buyer or the Assets at any time after the Closing Date.

5.10 Preferential Purchase Rights.

To Seller's Knowledge, Disclosure Schedule 5.10 lists all Preferential Purchase Rights to which any Assets are subject, which would be triggered by this Agreement and to which a notice would be required under the terms thereof due to the Parties entering into this Agreement.

5.11 Suspense Funds.

To Seller's Knowledge, Disclosure Schedule 5.11 sets forth a list, true and correct as of the date set forth therein, of all Suspense Funds and the name or names of the parties to whom such funds are owed.

5.12 Intellectual Property.

To Seller's Knowledge, except as set forth on Schedule 2.1(b)(xiii) or Disclosure Schedule 5.12, Seller owns no Intellectual Property related to or used in connection with the ownership or operation of the Assets that is material to Seller's business, taken as a whole.

5.13 Taxes.

Except as set forth on Disclosure Schedule 5.13,

(a) Seller has filed all material Tax Returns required to be filed, with respect to the Assets in all jurisdictions in which such Tax Returns are required to be filed, all such Tax Returns are true, complete and correct in all material respects. Seller has fully and timely paid all material Taxes shown on any such Tax Return as owing or otherwise payable, and no material examination of any such Tax Return of Seller is currently in progress by any Governmental Authority.

(b) All withholding tax requirements imposed on or with respect to Seller and the Assets have been satisfied in full in all material respects;

(c) Except to the extent a lien constitutes a Permitted Encumbrance, there are no liens on any of the Assets currently existing, pending or, to Seller's Knowledge, threatened with respect to any Assets related to any unpaid Taxes;

(d) No audit, litigation or other Proceeding by any Governmental Authority with respect to Asset Taxes is active, pending or, to Seller's Knowledge, threatened with respect to any Taxes due from Seller with respect to the Assets, and no Governmental Authority has given written notice of any intention to assert any deficiency or claim for additional Taxes against Seller with respect to the Assets and no claim has been made by any Governmental Authority in a jurisdiction where Seller does not file Tax Returns that it is or may be subject to Taxation by that jurisdiction; and

(e) None of the Assets is held by or is subject to any contractual arrangement between Seller, on the one hand, and any other Person, on the other hand, whether owning undivided interests therein or otherwise, that is classified as a partnership for United States federal income tax purposes (a "Tax Partnership") and no transfer of any part of the Assets pursuant to this Agreement will be treated as a transfer of an interest in any partnership for federal income tax purposes.

5.14 Legal Proceedings.

Except for the Bankruptcy Case and any adversary proceedings or contested motions commenced in connection therewith, or as set forth on Disclosure Schedule 5.14, after giving effect to the Sale Order, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened that affects any of the Assets or that could reasonably be expected to give rise to any material Liability of Buyer or adversely affect Buyer after the Closing or the ownership or use by Buyer of the Assets after the Closing. Except for the

Bankruptcy Case and any adversary proceedings or contested motions commenced in connection therewith or as set forth on Disclosure Schedule 5.14, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened against Seller that seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby or that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.15 Labor Matters.

With respect to the Applicable Employees of Seller and its Subsidiaries, (a) there are no collective bargaining agreements or collective bargaining relationships to which Seller or its Subsidiaries are a party, (b) there is no pending or, to Seller's Knowledge, threatened, strike, slowdown, picketing or work stoppage, and no such dispute has occurred within the past five (5) years, (c) to Seller's Knowledge, there is no pending application for certification of a collective bargaining agent filed with any Governmental Authority and no such filing is threatened and (d) to Seller's Knowledge, no union organizing activities are underway or threatened and no such activities have occurred in the past five (5) years.

5.16 Employee Benefits.

To Seller's Knowledge, Disclosure Schedule 5.16(a) sets forth a true and complete list of each (a) deferred compensation plan, (b) incentive compensation plan, (c) equity compensation plan, (d) "welfare" plan, fund or program (within the meaning of Section 3(1) of ERISA), (e) "pension" plan, fund or program (within the meaning of Section 3(2) of ERISA), (f) "employee benefit plan" (within the meaning of Section 3(3) of ERISA), (g) employment (other than offer letters entered into in the ordinary course of business), termination, severance or "change in control" agreement and (h) other employee benefit plan, fund, program, agreement or arrangement, in each case, that is sponsored, maintained or contributed to or required to be contributed to by Seller or by any trade or business, whether or not incorporated, that together with Seller would be deemed a "single employer" within the meaning of Section 4001(b) of ERISA (an "ERISA Affiliate"), or to which Seller or any ERISA Affiliate is a party, in each case, for the benefit of any Applicable Employee (each such plan, whether or not material, is referred to herein as a "Benefit Plan").

5.17 No Take-or-Pay Obligations.

Except as set forth on Disclosure Schedule 5.17, to Seller's Knowledge, Seller is not obligated by virtue of any take-or-pay payment, advance payment or other similar payment (other than gas balancing arrangements) to deliver Hydrocarbons, or proceeds from the sale thereof, attributable to the Assets at some future time without receiving payment therefor at or after the time of delivery.

5.18 Payments.

Except as set forth on Disclosure Schedule 5.18, and excluding the Suspense Funds, to Seller's Knowledge, all delay rentals, royalties, shut-in royalties, overriding royalties, compensatory royalties and other payments due with respect to the Properties, in each case, to the extent attributable to the period of time prior to the Closing Date, have been properly and fully paid.

5.19 Brokers or Finders.

Seller has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Buyer is or will become liable, in each case, except to the extent that such fees, commissions and other similar payments constitute Assumed Liabilities.

5.20 Powers of Attorney.

There are no Persons holding a power of attorney on behalf of Seller that would enable any such Person to sell, convey, assign, lease, encumber or otherwise transfer or dispose of any of the Assets.

5.21 Non-Consent Operations.

As of the Execution Date, and except as set forth on Disclosure Schedule 5.21 and/or Exhibit D, to Seller's Knowledge, no operations are being conducted on the Assets with respect to which Seller has elected to be a non-consenting party under the applicable operating agreement and with respect to which all of such Seller's rights have not yet reverted to it.

5.22 Compliance with Laws.

(a) To Seller's Knowledge, Seller (and each third party operator) is in material compliance with all Legal Requirements applicable to the ownership and operation of the Assets (other than Environmental Laws); and

(b) Seller has not received written notice from any Governmental Authority or other Person alleging non-compliance with any Legal Requirements applicable to the operation of the Assets (other than Environmental Laws), the subject of which is unresolved, except for such notices as would not reasonably be expected to result in a Material Adverse Effect.

5.23 Environmental Matters.

(a) To Seller's Knowledge, the Assets are in compliance with all applicable Environmental Laws, except for any non-compliance that would not reasonably be expected to result in a Material Adverse Effect.

(b) To Seller's Knowledge, Seller possesses, and, to the extent applicable, has timely filed application to renew, and is in compliance with all Permits required under Environmental Laws for the ownership or operation of the Assets, except where the failure to possess or comply would not reasonably be expected to result in a Material Adverse Effect.

(c) With respect to Seller's operation of the Assets, Seller has not received any written notice alleging violation of applicable Environmental Law from any Person, the subject of which is unresolved, except for such notices as would not reasonably be expected to result in a Material Adverse Effect.

(d) Seller has not received any written notice of potential liability for a release of Hazardous Substances, or liability for any investigatory, remedial, or corrective obligation arising under Environmental Laws, in each case with respect to the Assets, the subject of which is unresolved, except for such notices as would not reasonably be expected to result in a Material Adverse Effect.

(e) There is no Proceeding or Order pending, outstanding, or, to the Seller's Knowledge, threatened against Seller pursuant to Environmental Law with respect to the Assets or Seller's operation of the Assets, except for such Proceedings and Orders as would not reasonably be expected to result in a Material Adverse Effect.

(f) To Seller's Knowledge, there has been no release or threatened release of Hazardous Substances into the environment at, on, under, to or from the Assets that could give rise to any remedial obligation or claim for damages or compensation or other Liability pursuant to any Environmental Law, except for such release or threatened release as would not reasonably be expected to result in a Material Adverse Effect.

(g) To Seller's Knowledge, Seller has made available to Buyer, in written or electronic format, all environmental site assessments and audit reports and any other material documents in Seller's possession or control, in each case, addressing potentially material Liabilities or obligations pertaining to Hazardous Substances or Environmental Law in relation to the Assets that have been prepared within three (3) years preceding the Execution Date.

5.24 Leases, Wells and Defensible Title Matters.

(a) To Seller's Knowledge, Seller has Defensible Title to the Properties.

(b) To Seller's Knowledge, **Exhibit C** sets forth a true, correct and complete list of all Assigned Leases and Interests. To Seller's Knowledge, **Exhibit D** sets forth a true, correct and complete list of all Wells owned by Seller for use in connection with the Assets as of the Execution Date. To Seller's Knowledge, **Exhibit D** indicates the Wells in which Seller is the operator as of the Execution Date. To Seller's Knowledge, there is no pending vote, or any outstanding request for a vote (whether written or oral), to have Seller removed as operator of any of the Wells for which Seller is currently designated as the operator.

5.25 Casualty Losses.

From January 1, 2016 to the Execution Date, there has been no condemnation, seizure, damage, destruction or other Casualty Loss (whether or not covered by insurance) affecting any of the Assets or Seller which has not subsequently been completely repaired, replaced or restored.

5.26 Insurance and Bonds.

Disclosure Schedule 5.26 sets forth a true, correct and complete list of all insurance policies of Seller which insure the Seller in respect of any of the Assets, and a true, correct and complete list of all Seller Credit Obligations, including without limitation all letters of credit, surety bonds and performance bonds required to be obtained by Seller in connection with the ownership or operation of the Assets. All such insurance policies are in full force and effect, all premiums with respect thereto covering all periods up to and including the Closing have been paid, and other than has been disclosed on Disclosure Schedule 5.26, no notice of cancellation or termination has been received with respect to any such insurance policy.

5.27 Required Notices.

To Seller's Knowledge, Seller has delivered (or prior to the Closing, will have delivered) adequate notice of the sale of the Assets free and clear of all Encumbrances (other

than Permitted Encumbrances) to (a) each Person who is the beneficiary of or a holder of any Encumbrance in and to any of the Assets, (b) each counterparty to each of the Contracts, Leases and Mineral Interests and each of the Excluded Contracts, (c) each Person holding or asserting any Preferential Purchase Right, Net Revenue Interest or Working Interest in the Assets or to whom there are owed any amounts, (d) each Person who is the beneficiary of any royalties, overriding royalties, production payments, net profit interests, or any similar interest burdening a Lease or production therefrom, (e) each Person having a right to consent to the transactions contemplated by this Agreement, and (f) and each Governmental Authority with jurisdiction in respect of Seller or the Assets.

5.28 Carry Forward Credits.

To Seller's Knowledge, Disclosure Schedule 5.28 sets forth Seller's Carry Forward Credit (as defined in the ONEOK Agreement) as of the date set forth on such Schedule.

5.29 Knowledge Qualifier for Non-Operated Assets.

To the extent that Seller has made any representations or warranties in this Article 5 in connection with matters relating to non-operated Assets, each and every such representation and warranty shall be deemed to be qualified by the phrase "To Seller's Knowledge".

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1 Organization and Good Standing.

Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has the requisite power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Buyer is (or at the Closing will be) duly qualified or licensed to do business in the State(s) where the Assets are located.

6.2 Authority; Validity; Consents.

Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated herein have been duly and validly authorized by all requisite limited liability company or corporate actions in respect thereof. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document to which Buyer is a Party will be duly and validly executed and delivered by Buyer, as applicable, at the Closing. This Agreement and the other Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except in each case as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Buyer is not or will not be required to give any notice to, make any filing with, or

obtain any consent or approval from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a Party or the consummation or performance of any of the transactions contemplated hereby or thereby, except for such notices, filings, consents and approvals, the failure of which to provide, make or obtain, would not, individually or in the aggregate, affect Buyer's ability to perform its obligations under this Agreement or any other Transaction Documents or to consummate the transactions contemplated hereby or thereby.

6.3 No Conflict.

When the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Buyer under (a) any agreement, indenture or other instrument to which it is bound, (b) the certificate of formation or the limited liability company agreement of Buyer, as applicable, (c) any Order or (d) any Legal Requirement.

6.4 Availability of Funds.

As of the Closing, Buyer will have sufficient cash in immediately available funds (without giving effect to any unfunded financing, regardless of whether any such financing is committed) to pay the Purchase Price, all costs, fees and expenses to be paid by Buyer that are necessary to consummate the transactions contemplated by this Agreement and the other Transaction Documents, and assume the Assumed Liabilities. Buyer's ability to consummate the transaction contemplated hereby is not contingent upon its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing.

6.5 Litigation.

There are no Proceedings or Orders pending or, to the Knowledge of Buyer, threatened against Buyer, that seek to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby or that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.6 Bankruptcy.

There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by, or to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates.

6.7 Brokers or Finders.

Neither Buyer nor any Person acting on behalf of Buyer has paid or become obligated to pay any fee or commission to any broker, finder, investment banker, agent or intermediary for or on account of the transactions contemplated by this Agreement for which Seller is or will become liable.

6.8 Knowledge and Experience.

Buyer (a) is engaged in the business of exploring for and producing Hydrocarbons as an ongoing business and (b) is purchasing the Assets for its own account for investment purposes and not with the intent to resell the Assets in violation of any federal or state securities

laws. Buyer is an experienced and knowledgeable investor in oil and gas properties, is knowledgeable with respect to the Tax ramifications associated therewith and herewith, has the financial and business expertise to fully evaluate the merits and risks of the transaction covered by this Agreement and has relied solely upon this Agreement, the Transaction Documents, the Sale Order and the basis of its own independent investigation of the Assets for all purposes (including the geologic and geophysical characteristics of the Assets, the estimated Hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto). In acquiring the Assets, Buyer is acting in the conduct of its own business and not under any specific contractual commitment to any third party, or any specific nominee agreement with any third party, to transfer to, or to hold title on behalf of, such third party, with respect to all or any part of the Assets. Buyer acknowledges that it has had the opportunity to seek the advice of persons it deemed appropriate concerning the consequences of the provisions of this Agreement and hereby waives any and all rights to claim that it is an unsophisticated investor in oil and gas properties.

6.9 Qualification to Assume Operatorship.

Except as would not materially adversely affect Buyer's or Seller's ability to complete the transactions contemplated by this Agreement, at Closing, Buyer will be qualified to own and, where applicable, assume operatorship of the Assets in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated by this Agreement will not cause Buyer to be disqualified as such an owner or operator. Except as would not materially adversely affect Buyer's or Seller's ability to complete the transactions contemplated by this Agreement, to the extent required by the applicable state, tribal and federal Governmental Authorities, Buyer currently has, or will have at Closing, lease bonds, area-wide bonds or any other surety bonds or insurance policies as may be required by, and in accordance with, any Governmental Authorities with jurisdiction over the ownership or operation of such Assets or any operating agreement.

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1 Access and Reports.

(a) Subject to applicable Legal Requirements, upon receipt of written notice from Buyer of any such activities no less than two (2) Business Days in advance, Seller shall (and shall cause its Subsidiaries to) afford Buyer's officers and other authorized Representatives reasonable access, during normal business hours until the Closing, to its employees, customers, suppliers, Assets, books, Contracts and Records, and, during such period, Seller shall furnish promptly to Buyer all information concerning the Assets as may reasonably be requested; *provided*, however, such access shall not unreasonably interfere with Seller's ordinary conduct of business or the operations of the Assets, and in connection with such access, Buyer's authorized Representatives shall be accompanied by at least one (1) Representative of Seller of such access. All requests for information made pursuant to this Section 7.1 shall be submitted in accordance with Section 13.3. All such information shall be governed by the terms of the Non-Disclosure Agreement. No investigation pursuant to this Section 7.1 or by Buyer or its Representatives at any time prior to or following the Execution Date shall affect or be deemed to modify any representation or warranty made by Seller herein.

(b) Subject to applicable Legal Requirements and the proviso to Section 7.1(a) above, from and after the Execution Date until the Closing, Buyer shall have the right, at its sole cost, risk, liability and expense, to conduct a Phase I Environmental Site Assessment of the Assets. During Seller's regular hours of business and after providing Seller with written notice of any such activities no less than two (2) Business Days in advance, Buyer and its Representatives shall be permitted to enter upon the Properties, inspect such Properties and the Assets, review Seller's files and records relating to the Assets, and conduct visual, non-invasive tests, examinations and investigations. Buyer acknowledges and agrees that sampling or other invasive inspections of the Assets may not be conducted under any circumstances without Seller's prior written consent (which shall not be unreasonably withheld, conditioned or delayed). Seller will have the right, which it may exercise at its sole discretion, to (i) observe such tests, examinations, and investigations and (ii) upon termination of this Agreement, promptly receive a copy of all final environmental reports prepared on Buyer's behalf with respect to the Assets. All information obtained or reviewed by Buyer shall be governed by the terms of the Non-Disclosure Agreement.

(c) This Section 7.1 shall not require Seller to permit any access to, or to disclose (i) any information that, in the reasonable, good faith judgment (after consultation with outside-counsel) of Seller, is reasonably likely to result in any violation of any Legal Requirement or any Contract listed on Schedule 7.1(c) to which Seller is a party or cause any privilege (including attorney-client privilege) that Seller would be entitled to assert to be undermined with respect to such information and such undermining of such privilege would, in Seller's good faith judgment (after consultation with outside counsel), adversely affect in any material respect Seller's position in any pending or, what Seller believes in good faith (after consultation with outside counsel) reasonably expected to be, future litigation or (ii) if Seller, on the one hand, and Buyer or any of its Affiliates, on the other hand, are adverse parties in a litigation, any information that is reasonably pertinent thereto; provided that, in the case of clause (i), the Parties shall cooperate in seeking to find a way to allow disclosure of such information to the extent doing so (1) would not (in the good faith belief of Seller (after consultation with outside counsel)) be reasonably likely to result in the violation of any such Legal Requirement or such Contract or be reasonably likely to cause such privilege to be materially undermined with respect to such information or (2) could reasonably (in the good faith belief of Seller (after consultation with outside counsel)) be managed through the use of customary "clean-room" arrangements pursuant to which non-employee Representatives of Buyer could be provided access to such information.

(d) Prior to the Closing, the information provided pursuant to this Section 7.1 shall be used solely for the purpose of the transaction contemplated by this Agreement, and such information shall be kept confidential by Buyer in accordance with, and Buyer shall otherwise abide by and be subject to the terms and conditions of, the Non-Disclosure Agreement.

(e) BUYER SHALL DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS EACH MEMBER OF THE SELLER GROUP FROM AND AGAINST ANY AND ALL LIABILITIES THAT ANY BUYER PARTY MAY ASSERT AGAINST ANY MEMBER OF THE SELLER GROUP, BASED UPON INJURY TO PERSON, INCLUDING DEATH, OR TO PROPERTY, ARISING IN ANY MANNER WHATSOEVER FROM ANY INSPECTION BY BUYER OF THE ASSETS PRIOR TO THE CLOSING DATE, **WHETHER**

OR NOT BASED UPON STRICT LIABILITY OR CAUSED BY THE SOLE OR CONCURRENT NEGLIGENCE (WHETHER ACTIVE OR PASSIVE) OF ANY MEMBER OF THE SELLER GROUP, UNLESS SUCH INJURY WAS OCCASIONED SOLELY BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF THE SELLER GROUP.

7.2 Operations Prior to the Closing Date.

Seller covenants and agrees that, except (v) as expressly contemplated by this Agreement, (w) as disclosed in Schedule 7.2, (x) with the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), (y) as otherwise required by Legal Requirements, after the Execution Date and prior to the Closing Date, and (z) as ordered by the Bankruptcy Court or limited by restrictions or limitations under the Bankruptcy Code on chapter 11 debtors:

(a) Seller shall:

(i) use commercially reasonable efforts, taking into account Seller's status as debtor in possession, to maintain and operate the Assets operated by Seller as a reasonably prudent operator and cause such Assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) pay or cause to be paid all bonuses and rentals, royalties, overriding royalties, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred with respect to the Assets operated by Seller except (A) royalties held in suspense as a result of title issues and that do not give any third party a right to cancel an interest in any Assets operated by Seller, and (B) expenses or royalties in excess of Twenty-Five Thousand Dollars (\$25,000) that are being contested by Seller in good faith and set forth on Disclosure Schedule 7.2(a)(ii), unless the nonpayment of such contested expenses or royalties could result in the termination of an Assigned Lease and Interest, in which case Seller will notify Buyer and obtain Buyer's approval prior to withholding such payment;

(iii) maintain books, accounts and records relating to the Assets in accordance with past custom and practice;

(iv) maintain the personal property comprising part of the Assets and other Assets operated by Seller in at least as good a condition as it is on the date hereof, subject to ordinary wear and tear;

(v) use commercially reasonable efforts, taking into account Seller's status as debtor in possession, to retain Seller's Transferred Employees who are in good standing and are necessary to operate the Assets as they are currently being operated;

(vi) file all material Tax Returns and pay or deposit all Taxes on a timely basis in the ordinary course of business;

(vii) promptly notify Buyer of any proposals for operations relating to the Assets by any third party and provide copies of any AFEs relating thereto and Seller's subsequent election to be a consenting or a non-consenting party under the applicable operating agreement; and

(viii) maintain Suspense Funds in the ordinary course of business and not exercise any rights of set off against the Suspense Funds or otherwise against the Assets.

(b) Seller shall not:

(i) abandon or permit any Asset to lapse (except any abandonment of Leases to the extent any such Leases terminate pursuant to their terms);

(ii) commence, propose, or agree to participate in any single operation with respect to the Wells or Assigned Leases and Interests with an anticipated cost in excess of One Hundred Thousand Dollars (\$100,000) net to the interest of Seller, except for emergency operations taken in the face of risk to life, injury, property or the environment, operations scheduled under the AFEs listed on Disclosure Schedule 5.8, or operations required by any Governmental Authority (including with respect to plugging and abandonment obligations);

(iii) (A) terminate, cancel, materially amend or modify, or extend any Assigned Contract or Assigned Lease and Interest, or (B) enter into any Lease or Mineral Interest or any Contract that would be a Material Contract;

(iv) (A) sell, lease, Encumber or otherwise dispose of all or any portion of any Assets, except sales of Hydrocarbons in the ordinary course of business, or (B) acquire any assets or property in excess of Fifty Thousand Dollars (\$50,000.00) in the aggregate after the Execution Date to the extent (and only to the extent) that the acquisition costs related thereto will apply as an upward adjustment to the Purchase Price pursuant to Section 8.11(a)(ii);

(v) grant to any Transferred Employee any increase in compensation or benefits except in the ordinary course of Seller's business and consistent with past practice;

(vi) fail to maintain insurance in a manner consistent with Seller's current insurance policies;

(vii) (A) commence, settle or compromise any Proceeding, claim or indebtedness or (B) waive or release any right of Seller that, in either case, would reasonably be expected to adversely affect Buyer's ownership or use of, and ability to operate, the Assets after the Closing; or

(viii) enter into any agreement or commitment to take any action prohibited by this Section 7.2(b).

7.3 Limitation on Covenants.

If and to the extent that the covenants herein are made with respect to Assets where Seller is not the operator, Seller shall not be in breach of such covenant as a result of an action or inaction by any third party operator so long as Seller is acting in a commercially reasonable manner to diligently exercise its rights available under the applicable joint operating agreement or under applicable Legal Requirements to cause the operator to comply with such covenant.

7.4 Reasonable Best Efforts.

(a) Seller, on the one hand, and Buyer, on the other hand, shall use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions

contemplated hereby, including using reasonable best efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article 9 and Article 10 to be satisfied, (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authorities, if any) and the taking of all reasonable steps as may be necessary to avoid any Proceeding by any Governmental Authority, and (iii) the execution or delivery of any additional instruments necessary to consummate the transactions contemplated hereby and to fully carry out the purposes of this Agreement. Additionally, with regard to each Well operated by a party other than Seller, Buyer shall, as soon as reasonably practicable after the Closing Date, deliver to the applicable operator of such Well a copy of the recorded Assignment evidencing the conveyance of Seller's interest in such Well to Buyer, as well as any other documentation reasonably requested by such operator to evidence such conveyance. Nothing in this Section 7.4(a) shall require Buyer to make any non-incident expenditure or to incur any obligation or to waive any right under this Agreement.

(b) To the extent permissible under Legal Requirements, Seller, on the one hand, and Buyer, on the other hand, (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the transactions contemplated hereby, and any filing, notification or request for approval and (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, neither of Parties shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the transactions contemplated hereby, unless such Party consults with the other Party in advance and, to the extent permitted by any such Governmental Authority, gives the other Party the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable Legal Requirements, each of Buyer, on the one hand, and Seller, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and its respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the transactions contemplated hereby (excluding documents and communications which are subject to preexisting non-disclosure agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the transactions contemplated hereby and any such filing, notification or request for approval.

7.5 Bankruptcy Court Approval.

(a) Seller and Buyer acknowledge that this Agreement and the sale of the Assets and the assumption and assignment of the Assigned Contracts and Assigned Leases and Interests are subject to Bankruptcy Court approval. Seller and Buyer acknowledge that (i) to obtain such approval, Seller must demonstrate that it has taken reasonable steps to obtain the highest and best offer for the Assets, and that such demonstration shall include giving notice of the transaction contemplated by this Agreement to creditors and other interested parties as

ordered by the Bankruptcy Court, and, if required by the Bankruptcy Court, conducting the Auction, and (ii) Buyer must provide adequate assurance of future performance as required under the Bankruptcy Code with respect to each Assigned Contract and Assigned Lease and Interest.

(b) In the event an appeal is taken or a stay pending appeal is requested, from either the Bidding Procedures Order or the Sale Order, Seller shall oppose such appeal or stay, defend against the same and will promptly notify Buyer of such appeal or stay request and shall provide to Buyer promptly a copy of the related notice of appeal or Order of stay. Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from either of such Orders.

(c) From and after the Execution Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.1, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Bidding Procedures Order or this Agreement. If Buyer is the Successful Bidder or Backup Bidder at the Auction, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order or this Agreement.

7.6 Updates and Amendments of Exhibits, Schedules and Disclosure Schedules.

(a) Until the Auction (if any), Seller shall have the right (but not the obligation) to amend, modify and/or supplement its Disclosure Schedules with respect to any matters discovered or occurring subsequent to the Execution Date; provided that such amendments, modifications and/or supplements shall not be deemed to have been included in Seller's representations and warranties for any purpose under this Agreement.

(b) From time to time prior to the Closing, Seller shall promptly deliver written notice to Buyer of (i) any event, change, effect, condition, state of facts, or occurrence that comes to the Knowledge of the Seller that would reasonably be expected to (A) result in a breach of any representation, warranty, covenant or agreement of Seller contained in this Agreement, (B) prevent, prohibit or materially delay the Closing or (C) constitute or result in a Material Adverse Effect, (ii) any notice or other written communication from any Person alleging that the consent of such Person is or may be required in connection with the consummation of the transactions contemplated by this Agreement or (iii) the commencement of any Proceedings relating to the Assets (other than the Bankruptcy Case and any adversary proceedings or contested motions commenced in connection therewith).

7.7 Bidding Procedures.

The bidding procedures to be employed with respect to this Agreement shall be those reflected in the Bidding Procedures Order. Buyer agrees and acknowledges that Seller and its Representatives and Affiliates are and may during the Shop Period continue soliciting inquiries, proposals or offers from third parties for the Assets in connection with any alternative transaction pursuant to the terms of the Bidding Procedures. Except as permitted during the Shop Period, Seller shall not, and shall cause its Affiliates and its and their Representatives not to, (a) initiate contact with, solicit or encourage submission of any inquiries,

proposals or offers by any Person (other than Buyer and its Affiliates and its and their Representatives) in connection with any sale or other disposition of the Assets or (b) have discussions or communications involving the negotiation or entry into letters of intent or definitive agreements with any such Person in connection with any sale or other disposition of the Assets. Notwithstanding the preceding sentence, Seller, its Affiliates and its and their Representatives shall not be restricted from providing Records and other diligence information to any such Persons in preparation of the Auction or directing such Persons to the Bidding Procedures Motion and related proceedings. Seller will, at its sole cost and expense, file with the Bankruptcy Court a motion that requests entry of the Bidding Procedures Order within five (5) days of execution of this Agreement (the "Bidding Procedures Motion"). The Bidding Procedures Motion shall be in form and substance reasonably acceptable to Buyer. Seller shall use reasonable best efforts to take all actions reasonably necessary to obtain entry of the Bidding Procedures Order. If entry of the Bidding Procedures Order or any other orders of the Bankruptcy Court relating to this Agreement and the transactions contemplated hereby shall be appealed or otherwise challenged by any party (including by petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or re-argument), Seller agrees to use commercially reasonable efforts to oppose such appeal, challenge, petition or motion and to obtain an expedited resolution of any such appeal, petition or motion.

7.8 Access to Buyer Documentation.

On or before five (5) Business Days prior to the Auction, Buyer shall have delivered to Seller true and complete, fully-executed copies of any agreements with a third Person relating to, directly or indirectly, the Auction and/or Buyer's (or Buyer's Representatives') participation therein. All such information obtained or reviewed by Seller shall be maintained confidential by Seller and shall be governed by the terms of the Non-Disclosure Agreement.

7.9 Bankruptcy Filings.

From and after the Execution Date and until the Closing Date, Seller shall use commercially reasonable efforts to deliver to Buyer copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement and the transactions contemplated hereby or to Buyer or its respective agents or Representatives, in each case, that are to be filed by Seller with the Bankruptcy Court in the Bankruptcy Case that relate to this Agreement or the Assets in advance of its filing, in each case, if reasonably practicable under the circumstances before the filing of such papers.

ARTICLE 8

ADDITIONAL AGREEMENTS

8.1 Taxes.

(a) Any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement ("Transfer Taxes") and not eliminated through the application of Section 1146(a) of the Bankruptcy Code or subject to the casual sale exemption under North Dakota Sales and Use Tax Rule 81-04.1 shall be borne by Buyer. Seller and Buyer shall use commercially reasonable efforts and cooperate in good faith to exempt the sale and transfer of

the Assets from any Transfer Taxes, including under Section 1146(a) of the Bankruptcy Code and North Dakota Sales and Use Tax Rule 81-04.1. Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

(b) Seller shall retain responsibility for, and shall bear and pay, all (A) income and franchise Taxes imposed on Seller and (B) ad valorem, property, excise, severance, production or similar Taxes based upon operation or ownership of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom (collectively, the “Asset Taxes”) assessed with respect to the Assets for (i) any period ending on or prior to the Effective Date and (ii) the portion of any Straddle Period ending on or prior to the Effective Date; provided, however, Seller shall not be obligated to pay any such Tax that is disputed in good faith by Seller for which adequate reserves have been recorded in Seller’s books and records; and provided, further, that Seller shall place any such disputed amount into escrow pending resolution of such dispute, such funds shall be made available for the settlement of any such dispute. For purposes of allocation between the Parties of Asset Taxes assessed with respect to the Assets, the portion of any such taxes that are attributable to any tax period (or portion of thereof) ending on or prior to the Effective Date shall (1) in the case of such Asset Taxes that are attributable to the severance or production of Hydrocarbons, be allocated based on severance or production occurring on or before the Effective Date (which shall be Seller’s responsibility) and from and after the Effective Date (which shall be Buyer’s responsibility); (2) in the case of such Asset Taxes that are based upon or related to sales or receipts or imposed on a transactional basis (other than such Asset Taxes described in clause (1) or (3)), be allocated based on revenues from sales occurring on or before the Effective Date (which shall be Seller’s responsibility) and from and after the Effective Date (which shall be Buyer’s responsibility); and (3) in the case of Asset Taxes that are ad valorem, property or other Assets Taxes imposed on a periodic basis pertaining to a Straddle Period, be allocated pro rata per day between the period on or prior to the Effective Date (which shall be Seller’s responsibility) and the period after the Effective Date (which shall be Buyer’s responsibility). At the Closing, Asset Taxes with respect to each Asset for the applicable Straddle Period shall be prorated in accordance with the foregoing provisions based on the Asset Tax assessment for such Asset for such Straddle Period, if available, or if otherwise, based on the Asset Taxes paid with respect to such Asset during the preceding Tax period. With respect to any not yet delinquent Asset Taxes relating to a Tax year ending after the Effective Date, Buyer will assume responsibility for the actual payment of all such Asset Taxes to the applicable Governmental Authority subject to Buyer’s right to receive payment or reimbursement under Section 8.11(b)(v).

(c) From and after Closing, Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Buyer of any federal, state or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Assets are located; provided, however, that neither Buyer nor Seller shall be required to disclose the contents of its income

Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(c) shall be borne by the Party requesting it.

(d) Seller shall, prior to the Closing, (i) cause each Asset or Tax Partnership that is scheduled with respect to Section 5.13(e) to either (x) have in effect a valid election under Section 754 of the Code for any taxable year that includes the Closing Date, or (y) obtain all necessary consents therefor; and (ii) provide evidence satisfactory to Buyer that the covenant set forth in clause (i) has been satisfied.

8.2 Allocation of Purchase Price.

The Purchase Price (and all other capitalized costs) shall be allocated among the Assets as set forth on Schedule 8.2, which shall be in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate). The allocation to each Asset is referred to herein as the “Allocated Value” of such Asset, and the general allocation of value described in this Section 8.2 is referred to herein as the “Tax Allocation”. Seller and Buyer agree to be bound by the Allocated Values set forth in Schedule 8.2 for purposes of this Agreement. Seller and Buyer each agree to report, and to cause their respective Affiliates to report, the federal, state, and local income and other Tax consequences of the transactions contemplated herein, and in particular to report the information required by Code §1060(b), and to jointly prepare Internal Revenue Service Form 8594 (Asset Acquisition Statement under Code §1060) as promptly as possible following the Closing Date and in a manner consistent with the Tax Allocation, as may be revised, to take into account subsequent adjustments to the Purchase Price, including any adjustments pursuant to the Agreement to determine the Purchase Price, and shall not take any position for US federal, state and local income tax purposes inconsistent therewith upon examination of any Tax Return, in any refund claim, in any tax litigation, or investigation, unless required to do so by any Legal Requirement after notice to and discussions with the other Party, or with such other Party’s prior consent; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Buyer nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 8.2 shall survive the Closing without limitation.

8.3 Bulk Sales.

The Parties intend that pursuant to section 363(f) of the Bankruptcy Code, the transfer of the Assets shall be fully free and clear of any Encumbrances arising out of bulk transfer Legal Requirements and the Parties shall take such steps as may be necessary or appropriate to so provide in the Sale Order. Buyer and Seller hereby waive compliance with all “bulk sales,” “bulk transfer” and similar laws that may otherwise be applicable with respect to the transactions contemplated by this Agreement or any Transaction Document.

8.4 Assigned Contracts: Adequate Assurance and Performance.

(a) With respect to each Assigned Contract, Buyer shall provide adequate assurance as required under the Bankruptcy Code of the future performance by Buyer of each such Assigned Contract. Buyer and Seller agree that they will promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an

adequate demonstration of adequate assurance of future performance under the Assigned Contracts, such as furnishing timely requested and factually accurate affidavits and other documents or information for filing with the Bankruptcy Court and making Buyer's and Seller's employees and Representatives available to testify before the Bankruptcy Court. Notwithstanding the foregoing, Seller shall have no obligation under this Agreement (including, for the avoidance of doubt, pursuant to Section 7.3 or this Section 8.4(a)) to provide any assistance with respect to the preparation of any financial information.

(b) From and after Closing, Buyer shall pay, perform or satisfy the Assumed Liabilities from time to time and as such Assumed Liabilities become due and payable or are required to be performed or satisfied in accordance with their respective terms.

(c) Without limiting the provisions of Section 8.4(a), Buyer acknowledges that Seller has no duty to maintain any bonds, letters of credit, guarantees, cash deposits and insurance to secure performance or payment under any Assigned Contracts (collectively, "Seller Credit Obligations") after the Closing, and Buyer agrees to reasonably cooperate with Seller in Seller's efforts to secure the release of any Seller Credit Obligations posted by Seller. On or before the Closing, Buyer shall use commercially reasonable efforts to obtain, or cause to be obtained in the name of Buyer, replacements for the Seller Credit Obligations. If any Seller Credit Obligation remains outstanding as of the Closing Date, Buyer shall indemnify each member of the Seller Group and hold them harmless against any Losses that the Seller Group may incur under any such Seller Credit Obligations attributable to periods from and after the Effective Date.

8.5 Employee Matters.

(a) Transferred Employees. Buyer shall have the right (but not the obligation) to make offers to employ (or otherwise engage as a contractor) each of the Applicable Employees, with such offers (i) to be on terms that do not provide for a material diminution in such Applicable Employee's annual base rate of pay as in effect as of the Execution Date and (ii) to provide substantially similar benefits that Buyer provides to similarly situated employees or contractors (as applicable), including enrollment in customary employee benefit plans (as defined in section 3(3) of ERISA) and customary vacation, sick leave, and medical and dental (including retiree medical and dental) benefits. No later than five (5) Business Days prior to the Closing Date, Buyer shall notify Seller and each Applicable Employee regarding any such employment offers (or contractor engagements), which shall be effective as of but conditioned upon the occurrence of the Closing. Those Applicable Employees who accept Buyer's offer of employment (or contractor engagement) made pursuant to this Section 8.5(a) and commence working for Buyer on the Closing Date are referred to herein as "Transferred Employees." Buyer's decisions to offer or not offer employment to each Applicable Employee shall be in Buyer's sole discretion, but in accordance with all applicable Legal Requirements, and Seller shall have no liability with respect to Buyer's offer of employment, employment decisions, and employment and termination of employment of a Transferred Employee. Seller shall terminate the employment of all Transferred Employees at Closing and waive and release any confidentiality, non-competition, non-disclosure and similar agreements between Seller and the Transferred Employees that would restrict or encumber the Transferred Employees' ability to perform his or her duties as an employee (or contractor) of Buyer.

(b) No later than three (3) Business Days prior to the Closing Date, Seller shall notify all Applicable Employees that are not contemplated to be Transferred Employees (collectively, and subject to the exclusion hereinafter set forth, the “Terminated Employees”) of the termination of their employment by Seller effective as of, but conditioned upon the occurrence of Closing, excluding any such Applicable Employees that mutually agree with Seller to continue their employment with Seller following Closing. For all Terminated Employees, Buyer agrees to pay to Seller (via an upward Purchase Price adjustment pursuant to Section 8.11(a)(vi)) all severance benefits to which such Persons are due (in accordance with Seller’s severance plans in effect as of the Execution Date), not to exceed, in the aggregate, three (3) months of each such Terminated Employees’ annual base rate of pay (the “Severance Obligation”). Other than the foregoing Severance Obligation, Buyer shall have no liability with respect to Seller’s termination of employment and employment decisions regarding the Terminated Employees.

(c) WARN Act. Seller shall have full responsibility for all WARN Act Liabilities relating to the periods prior to or on the Closing Date. Buyer shall have full responsibility for all WARN Act Liabilities relating to periods on or after the Closing Date.

8.6 Post-Closing Books and Records and Personnel.

For five (5) years after the Closing Date (or such longer period as may be required by any Governmental Authority or ongoing claim), (a) Buyer shall not dispose of or destroy any of the Records received by Buyer as Assets and (b) Buyer shall allow Seller (including, for clarity, any trust established under a chapter 11 plan of Seller or any other successors of Seller) and any of its directors, officers, employees, counsel, representatives, accountants and auditors reasonable access during normal business hours, at Seller’s sole expense and upon reasonable advance notice, to any Records included in the Assets for purposes relating to the Bankruptcy Case, the wind-down of the operations of Seller or any such trusts or successors, and Seller (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall have the right to make copies of any such Records for such purposes. Until the closing of the Bankruptcy Case or the liquidation and winding up of Seller’s estate, Seller may keep a copy of the Records and, at Buyer’s sole expense, shall make all records, and Seller’s personnel available to Buyer as may be reasonably required by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Buyer or any of its Affiliates or in order to enable Buyer to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any such Records during or after the time during which they must be maintained pursuant to this Section 8.6, such Party shall first give ninety (90) days prior written notice to the other Party and such other Party shall have the right at their option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such Records or records, to take possession of the Records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller’s estate shall permit. Except as required by Legal Requirement or to the extent related to the Excluded Liabilities, from and after the Closing, Seller shall and shall cause its Affiliates and its and their respective Representatives to keep confidential and not use the Records and any proprietary or non-proprietary engineering, geological, geophysical and seismic data, files and records that would have been included in the Records but for the failure to obtain a material third party consent.

8.7 No Other Representations or Warranties; Disclaimers; NORM.

(a) **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF SELLER OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, SELLER'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER). EXCEPT AS PROVIDED IN THIS AGREEMENT AND THE TRANSACTION DOCUMENTS, SELLER FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS. EXCEPT AS PROVIDED IN THIS AGREEMENT AND THE TRANSACTION DOCUMENTS, ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY SELLER IS PROVIDED AS A CONVENIENCE, AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THE TRANSACTION DOCUMENTS, SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES (D) ANY INFRINGEMENT BY SELLER OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYER BY OR ON BEHALF OF SELLER (INCLUDING WITHOUT LIMITATION, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.**

(b) **WAIVER OF CONSUMER AND OTHER RIGHTS: BUYER WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SPECIFICALLY INCLUDING SECTION 17.41 ET SEQ., VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS, OR ANY SIMILAR STATE OR FEDERAL LAW. AFTER AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER ACKNOWLEDGES THAT THE DISCLAIMERS AND WAIVERS GIVEN IN AND UNDER THIS AGREEMENT SHALL BE CONSIDERED MATERIAL AND INTEGRAL PARTS OF THIS AGREEMENT, WITH CONSIDERATION GIVEN THEREFOR, AND ACKNOWLEDGES THAT ALL DISCLAIMERS AND WAIVERS ARE "CONSPICUOUS"**

AND, HAVE BEEN BROUGHT TO THE ATTENTION OF BUYER, AND THAT BUYER HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO ALL DISCLAIMERS AND WAIVERS.

(c) Buyer acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Buyer's own estimate and appraisal of the extent and value of Seller's Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Buyer acknowledges that in entering into this Agreement, it has relied on the aforementioned investigation and the terms of this Agreement and the Transaction Documents. Buyer hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Seller or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

(d) BUYER ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. FROM AND AFTER THE CLOSING, BUYER SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRODUCED AFTER THE EFFECTIVE DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.

(e) NOTHING IN THIS SECTION 8.7 OR OTHERWISE SHALL WAIVE OR LIMIT BUYER'S RIGHTS IN THE EVENT OF ACTUAL FRAUD.

8.8 Casualty.

(a) If, after the Execution Date and prior to the Closing, a part of the Assets suffers a Casualty Loss or if a part of the Assets is taken in condemnation or under the right of eminent domain or if proceedings for such purposes are pending or threatened, Seller shall promptly give Buyer written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) With regard to a Casualty Loss or condemnation occurring after the Execution Date, without Buyer's prior consent (which shall not be unreasonably withheld, conditioned or delayed), no insurance or condemnation proceeds shall be committed or applied by Seller to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets, individually or when combined with all other lost, damaged, destroyed or taken portions of the

Assets, if the cost to repair, restore or replace a lost, damaged, destroyed or taken portion of the Assets is projected to exceed Fifty Thousand Dollars (\$50,000). To the extent such proceeds are not committed or applied by Seller prior to the Closing Date in accordance with this Section 8.8(b), Seller shall at the Closing pay to Buyer all sums paid to Seller by reason of such loss, damage, destruction or taking, less any reasonable third party costs and expenses incurred by Seller in collecting such proceeds. In addition and to the extent such proceeds have not been committed or applied by Seller in accordance with this Section 8.8(b), in such repair, restoration or replacement, Seller shall transfer to Buyer, at the Closing, without recourse against Seller, all of the right, title and interest of Seller in and to any unpaid insurance or condemnation proceeds and other rights against third parties arising out of such loss, damage, destruction or taking, less any reasonable third party costs and expenses incurred by Seller in collecting such proceeds. Any such funds that have been committed by Seller for repair, restoration or replacement as aforesaid shall be paid by Seller for such purposes or, at Seller's option, delivered to Buyer upon Seller's receipt from Buyer of adequate assurance and indemnity that Seller shall incur no liability or expense as a result of such commitment.

(c) Notwithstanding anything to the contrary in this Agreement, but subject to Buyer's rights under Section 9.1, (i) at the Closing, the Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Buyer shall pay the full Allocated Value therefor, subject to any applicable adjustments under this Agreement, and (ii) Buyer's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Seller's applicable insurance coverage actually recovered by Seller in respect thereof or other sums paid to Seller by third parties (or an assignment of claims related thereto), which proceeds or other sums shall be payable to Buyer upon the Closing of the transaction contemplated hereby. After Closing, Seller shall have no other liability or responsibility to Buyer with respect to a condemnation or Casualty Loss, **EVEN IF SUCH CASUALTY LOSS SHALL HAVE RESULTED FROM OR SHALL HAVE ARISEN OUT OF THE SOLE OR CONCURRENT NEGLIGENCE, FAULT, VIOLATION OF A LEGAL REQUIREMENT, OR WILLFUL MISCONDUCT OF SELLER OR ANY MEMBER OF SELLER GROUP.**

8.9 Successor Operator.

Seller shall use its commercially reasonable efforts to support Buyer's efforts to be appointed or to have a designee appointed as the successor operator of those Properties that Seller currently operates. Notwithstanding the foregoing, Seller makes no representations or warranties to Buyer as to the transferability of operatorship of any Properties which Seller currently operates. Rights and obligations associated with operatorship of the Properties are governed by operating agreements or similar agreements and, to the extent such agreements are Assigned Contracts, will be determined in accordance with the terms of such agreements.

8.10 Preferential Purchase Rights.

(a) Unless notice has been previously provided by Seller that is sufficient, in all respects, with the Bankruptcy Code requirements, Seller shall, within three (3) Business Days after the Bidding Procedures Order is entered by the Bankruptcy Court, deliver to each holder of a Preferential Purchase Right a notice reasonably satisfactory to Buyer (i) containing a copy of the Bidding Procedures Order, the motion seeking entry of the Bidding Procedures Order, this Agreement, the proposed Sale Order and the sale notice, and (ii)

informing such holder that it must submit a notice to the Seller by the Bid Deadline of such holder's intent to exercise or not exercise its Preferential Purchase Right at the Auction.

(b) All Assets that are subject to Preferential Purchase Rights shall be transferred or assigned to Buyer at the Closing, and Buyer shall take title to such Assets subject to such Preferential Purchase Rights. In the event any holder of a valid Preferential Purchase Right thereafter lawfully and timely exercises its Preferential Purchase Right, Buyer shall assign such affected Assets to the holder of such Preferential Purchase Right, and such holder shall pay Buyer all proceeds generated from the exercise of such Preferential Purchase Right.

8.11 Accounting Adjustments for Revenues and Expenses.

(a) The Base Purchase Price shall be increased by the following (without duplication): (i) an amount equal to the value of all merchantable allowable oil or other liquid Hydrocarbons in storage owned by Seller beyond a custody transfer point on the Effective Date (excluding tank bottoms and tank fill, but including, for the avoidance of doubt, all line fill associated with or otherwise arising under the Meadowlark Agreement) that is credited to the Assets and for which Buyer has been or will be paid, such value to be the current market price or the price paid, less Taxes (other than Asset Taxes), royalties and other burdens on production and gravity adjustments deducted by the purchaser of such oil or other liquid Hydrocarbons; (ii) the aggregate amount of all expenditures (other than Taxes) paid in connection with the ownership, operation and maintenance of the Properties (including overhead, royalties and other charges and expenses billed under applicable operating agreements or governmental statute(s)), in each case, to the extent constituting Property Costs and which are paid by or on behalf of Seller, are not subject to reimbursement to Seller pursuant to a joint interest billing and are attributable to the period on or after the Effective Date; (iii) all cash call pre-payment amounts, royalty overpayment amounts and/or future deductions as royalty offsets associated with the Assets as of the Effective Date, in each case, that are set forth on Schedule 8.11(a)(iii); (iv) an amount equal to six hundred Dollars (\$600.00) per producing oil and gas Well that is operated by Seller per month (or prorated portion thereof) for the period from the Effective Date to the Closing Date, representing overhead charges of Seller with respect to Seller's operated Properties; (v) the amount of all Asset Taxes prorated to Buyer in accordance with Section 8.1(b) but paid or otherwise economically borne by Sellers; (vi) the Severance Obligation attributable to Terminated Employees; (vii) the amount of the Known Pre-Effective Time Receivables, as calculated pursuant to Section 8.11(d); and (viii) any other amount agreed upon in writing by Buyer and Seller;

(b) The Base Purchase Price shall be decreased by the following (without duplication): (i) the amount of any proceeds received by Seller from (A) the sale of Hydrocarbons, produced from and after the Effective Date, from the Properties (net of royalties, Taxes (other than Asset Taxes) and other burdens on Buyer's share of the proceeds from the production of Hydrocarbons that are actually paid by Seller and not otherwise accounted for hereunder) and (B) the rental, sale, salvage or other disposition of any Asset (other than Hydrocarbons) after the Effective Date and all other proceeds or amounts attributable to the ownership or operation of the Assets after the Effective Date (including third party overhead rates paid to Seller in respect of the operation of the Assets after the Effective Date); (ii) the amount of the Suspense Funds; (iii) the aggregate amount of all expenditures (other than Taxes) paid (if any) in connection with the ownership, operation and maintenance of the Properties (including overhead, royalties and other charges and expenses billed under applicable operating

agreements or governmental statute(s)) which are paid by or on behalf of Buyer, are not subject to reimbursement to Buyer pursuant to a joint interest billing and are attributable to the period prior to the Effective Date; (iv) the amount, if any, by which the aggregate actual Cure Costs paid (or to be paid) by Buyer in respect of the Assigned Contracts (other than the ONEOK Contract), taken as a whole, exceed the Estimated Cure Costs set forth on Schedule 2.5 in respect of the Assigned Contracts (other than the ONEOK Contract), taken as a whole; (v) if the ONEOK Agreement is an Assigned Contract, the aggregate amount of all Cure Costs for such contract, regardless of whether such Cure Costs are stated on Schedule 2.5; (vi) the amount of all Asset Taxes prorated to Seller in accordance with Section 8.1(b) but paid or otherwise economically borne by Buyer; and (vii) any other amount agreed upon in writing by Buyer and Seller; and

(c) The Base Purchase Price will be adjusted upward or downward, as applicable, by (i) the net Mcf and barrel of oil amount of the aggregate Imbalances attributable to Seller's Net Revenue Interest in the Wells as of the Effective Date multiplied by \$0.00 per Mcf of gas for such Well (upward for underage and downward for overage); and (ii) the MMBtu amount of any pipeline Imbalances attributable to Seller or the Assets for Seller's ownership prior to the Effective Date multiplied by the actual settlement price per MMBtu (upward for over deliveries and downward for under deliveries).

(d) The upward adjustment to the Base Purchase Price for Known Pre-Effective Time Receivables shall be calculated as follows: (i) 100% of the value of all Known Pre-Effective Time Receivables that became due and payable nine (9) months or fewer prior to the first day of the month in which Closing occurs; plus (ii) 75% of the value of all Known Pre-Effective Time Receivables that became due and payable between nine (9) months and twelve (12) months prior to the first day of the month in which Closing occurs; plus (iii) 50% of the value of all Known Pre-Effective Time Receivables that became due and payable between twelve (12) months and eighteen (18) months prior to the first day of the month in which Closing occurs; plus (iv) 25% of the value of all Known Pre-Effective Time Receivables that became due and payable between eighteen (18) months and twenty-four (24) months prior to the first day of the month in which Closing occurs; plus (v) 0% of the value of all Known Pre-Effective Time Receivables that became due and payable twenty-four (24) months and older prior to the first day of the month in which Closing occurs.

8.12 Initial Adjustment at Closing.

At least five (5) Business Days before the Closing Date, Seller shall provide to Buyer a statement showing its computations, calculated in good faith, of the amount of the adjustments provided for in Section 8.11 above. Buyer and Seller shall attempt to agree upon such adjustments prior to Closing; *provided* that if agreement is not reached, Seller's computation shall be used for purposes of Closing, subject to further adjustment under Section 8.13 below. If the amount of adjustments so determined which would result in a credit to Buyer exceeding the amount of adjustments so determined which would result in a credit to Seller, Buyer shall receive a Base Purchase Price reduction at Closing for the amount of such excess, and if the converse is true, then the amount to be paid by Buyer to Seller at Closing shall be increased by the amount of such excess.

8.13 Adjustment Post Closing.

(a) On or before ninety (90) days after Closing, Buyer and Seller shall review any information which may then be available pertaining to the adjustments provided for in Section 3.1, shall determine if any additional adjustments should be made beyond those made at Closing (whether the same be made to account for expenses or revenues not considered in making the adjustments made at Closing, or to correct errors made in the adjustments made at Closing), and shall make any such adjustments by appropriate payments from Seller to Buyer or from Buyer to Seller. If the Parties fail to agree in writing on final adjustments within such ninety (90) day period, either Party may, at any time thirty (30) days after the end of such period, submit the disputed items to a nationally-recognized, United States-based independent public accounting firm on which the Parties mutually agree in writing (the “Accounting Referee”); provided, however, that the Accounting Referee shall not have performed any material work for any Party or their respective Affiliates within three (3) years of the date hereof. If the Parties are unable to agree upon the designation of a Person or entity as Accounting Referee, then Seller or Buyer, or either of them, may in writing request the Bankruptcy Court to appoint a substitute Accounting Referee; provided that such Person or entity so appointed shall be a national or regional accounting firm with no prior material relationships with Seller or Buyer or their respective Affiliates and shall have experience in auditing companies engaged in oil and gas exploration and development activities. Any unresolved matters described in this Section 8.13 that are not submitted to the Accounting Referee shall be deemed waived by the Parties, which waiver shall be final and binding on the Parties and the subject matter thereof shall not be subject to further review or audit. The Parties shall direct the Accounting Referee to resolve the disputes within thirty (30) days after submission of the matters in dispute. The Accounting Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. Seller and Buyer shall share equally the Accounting Referee’s costs, fees and expenses (including attorneys’ fees). The final settlement statement, whether as agreed between the Parties or as determined by a decision of the Accounting Referee (the “Final Settlement Statement”), shall be binding on, and non-appealable by, the Parties and not subject to further review or audit.

(b) Payment by Buyer or Seller, as applicable, for any outstanding amounts on the Final Settlement Statement shall be made within five (5) Business Days after the date on which all disputes in respect of the Final Settlement Statement are finally resolved (whether by agreement of the Parties or pursuant to the Accounting Referee’s decision) subject to the following:

(i) If the Final Purchase Price exceeds the Estimated Purchase Price, then the Parties shall execute and deliver to the Escrow Agent a joint written instruction instructing the Escrow Agent to release the entire Adjustment Escrow Amount to Seller, and Buyer shall pay to Seller an amount equal to such excess; or

(ii) If the Estimated Purchase Price exceeds the Final Purchase Price, then if (A) the amount of such excess is greater than the Adjustment Escrow Amount, then the Parties shall execute and deliver to the Escrow Agent a joint written instruction instructing the Escrow Agent to release the entire Adjustment Escrow Amount to Buyer, and Seller shall pay to Buyer an amount equal to such excess greater than the Adjustment Escrow Amount; (B) the amount of such excess is equal to the Adjustment Escrow Amount, then the Parties shall execute and deliver to the Escrow Agent a joint written instruction instructing the Escrow Agent to

release the entire Adjustment Escrow Amount to Buyer; or (C) if the amount of such excess is less than the Adjustment Escrow Amount, then the Parties shall execute and deliver to the Escrow Agent a joint written instruction instructing the Escrow Agent to release to Buyer an amount equal to such excess and to Seller the remainder of the Adjustment Escrow Amount.

(c) The Parties agree to treat any payment made pursuant to this Section 8.13 as an adjustment to the Base Purchase Price for federal, state, local and foreign income tax purposes. Any payment under this Section 8.13 shall be treated as (i) an adjustment to the value of the Asset upon which the underlying adjustment was based to the extent that it is possible to do so or (ii) with respect to any adjustment not allocated to a specific Asset described in clause (i), an adjustment to the value of the Assets on a *pro rata* basis in proportion to the Allocated Value allocated to such Asset on Schedule 8.2, in each case, unless a final determination (which shall include the execution of a Form 870-AD or successor form) causes any such payment not to be treated as an adjustment to the value of the Asset or Assets, as applicable, for federal income tax purposes.

(d) During the period between Closing and the point in time when the Final Settlement Statement has been agreed to by the Parties, or determined by a decision of the Accounting Referee, each Party shall, on a monthly basis, (i) pay over to the other Party any revenue received by it (net of related expenses) with respect to the Assets which is owed to the other Party as set forth in Section 8.11 above, and (ii) deliver any cash, checks with appropriate endorsements (using their best efforts not to convert such checks into cash) or other property that it may receive on or after the Closing which properly belongs to the other Party, and if such amounts are paid or delivered to the other Party, such payments and deliveries shall not be considered in determining the Final Settlement Statement. In the event any such amounts or items are received by Party and such amounts or items are owed to the other Party, until delivered to the other Party or until the Base Purchase Price is reduced in accordance with Sections 2.6, 3.1 and 8.11 through 8.13 hereof, such amounts shall be deemed held in trust by the receiving Party and shall not be such Party's property or subject to any Liens whatsoever. Notwithstanding the foregoing, as of the date that the Final Settlement Statement is agreed to by the Parties, or determined by a decision of the Accounting Referee, the Final Settlement Statement shall be final and binding on the Parties and not subject to further review or audit, and neither Party shall have any further rights or obligations regarding payment of money or delivery of property pursuant to the preceding sentence.

8.14 Cooperation.

(a) From and after the Execution Date, the Parties shall cooperate with each other to cause the Assets to be orderly transitioned from Seller to Buyer and to minimize disruption resulting from the transactions contemplated hereby as reasonably requested by any Party, including facilitating the transition of key customer, supplier and other business relationships of Seller and the transition of field and back office operations relating the Assets.

(b) From the Execution Date through and until the Closing Date, Seller shall, and shall cause its Affiliates, and its and their officers and employees to use commercially reasonable efforts to assist Buyer, its Affiliates and their respective Representatives in obtaining any financing desired by Buyer to fund at or following the Closing the acquisition and development of the Assets, including by using commercially reasonable efforts to take the following actions: (i) make Seller's officers, employees and Representatives reasonably available,

upon prior written notice, for meetings and due diligence sessions with prospective financing sources; (ii) reasonably cooperate with prospective lenders, placement agents, initial purchasers and their respective advisors in performing their due diligence; and (iii) reasonably assist Buyer in procuring credit agreements, notes, mortgages, pledge and security documents, landlord waivers, estoppels, consents, and approvals and other definitive financing documents or other requested certificates or documents (including solvency certificates to the extent required). Buyer shall reimburse Seller for all reasonable fees, costs and expenses which Seller would not have incurred but for Seller's obligations under this Section 8.14(b). Notwithstanding the foregoing, nothing herein shall expand any Party's representations, warranties, covenants or agreements set forth in this Agreement or give Buyer, its Affiliates or any third party any rights to which it is not entitled hereunder. Buyer shall release Seller, its Affiliates, its Representatives and its and their officers and employees from, and shall fully protect, defend, indemnify and hold harmless such Persons from and against, in each case, any and all Liabilities relating to, arising out of or connected with any cooperation provided in accordance with this Section 8.14(b). Notwithstanding this Section 8.14(b) or anything in this Agreement to the contrary, the Parties agree and acknowledge that Buyer's completion of any financing is not a condition to the consummation of the transactions contemplated by this Agreement.

8.15 Release of Encumbrances.

To the extent requested by Buyer, Seller shall use commercially reasonable efforts prior to, at or after the Closing, to obtain releases of any Encumbrance that secures a claims that any Person may have for goods and/or services secured by an Encumbrance (other than a Permitted Encumbrance) on the Assets with respect to which such goods and/or services were furnished or rendered, including any claims for goods and/or services rendered in connection with any Properties.

8.16 No Affiliate Interests.

(a) If, prior to Closing, Seller or Buyer obtains Knowledge that any Affiliate of Seller holds or owns any right, title or interest in and to any right, interest, asset or property that if held or owned by Seller as of the Execution Date would have constituted an Asset (an "Affiliate Interest"), then such Party shall promptly notify the other of the same in writing and, unless otherwise directed by Buyer in writing, Seller shall, and shall cause such Affiliate to, convey such Affiliate Interest to Seller prior to the Closing. Thereafter, such Affiliate Interest shall be an Asset for all purposes under this Agreement and the Sale Order.

(b) If, after the Closing, Seller or Buyer obtains Knowledge that any Affiliate of Seller holds or owns any Affiliate Interest, then such Party shall promptly notify the other of the same in writing and, unless otherwise directed by Buyer in writing, Seller shall cause such Affiliate to convey such Affiliate Interest to Buyer. Thereafter, such Affiliate Interest shall be an Asset for purposes of this Agreement and the Sale Order.

(c) Notwithstanding anything in Section 8.16(a) or Section 8.16(b) to the contrary, the non-producing oil and gas leases held by SGH Enterprises, Inc. shall not constitute Affiliate Interests and shall not be subject to this Section 8.16.

8.17 Transfer of Statutory Liens.

From and after Closing, to the extent Seller determines that any statutory liens securing any Excluded Receivables run with the land and/or must be transferred to Buyer in

order to be enforceable, Seller may (subject to Section 12.3) convey such liens to Buyer and Buyer shall not terminate, modify, or otherwise release any such statutory liens insofar as such liens pertain to the Excluded Receivables; provided that nothing in this Section 8.17 shall (a) require Buyer to make any out-of-pocket expenditure or incur any obligation for which funds in the full amount of such expenditure or obligation are not provided to Buyer by Seller in advance in cash or (b) prohibit or restrict Buyer from transferring, encumbering or selling the Assets or ceasing operations or winding up its affairs following the Closing.

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver in writing by Buyer, at or prior to the Closing, of each of the following conditions:

9.1 Accuracy of Representations.

The representations and warranties of Seller set forth in this Agreement shall be true and correct in all respects (in each case disregarding any materiality, Material Adverse Effect or similar expressions) on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (provided that representations and warranties which are confined to a specified date shall speak only as of such date); provided, however, that in the event of a breach of or inaccuracy in the representations and warranties of Seller set forth in this Agreement, the condition set forth in this Section 9.1 shall be deemed satisfied unless (a) the representation and warranty in Section 5.27 fails to be true and correct in all material respects or (b) the effect of all breaches of or inaccuracies in such other representations and warranties taken together with all breaches of Seller's covenants and agreements and all condemnation or Casualty Losses not otherwise cured or remedied by Seller or for which insurance proceeds are not paid or otherwise payable to Buyer detracts from the value of the Assets in an amount equal to or greater than fifteen percent (15%) of the Base Purchase Price (and, in the case of either clause (a) or clause (b), the condition set forth in this Section 9.1 shall be deemed not to be satisfied). The Parties agree that the effect of any breach of or inaccuracy in Seller's representation and warranty contained in Section 5.24(a) shall not exceed the Allocated Value of the Asset affected thereby. Unless otherwise waived by Buyer, Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof. If Buyer obtains Knowledge that there has been a breach or inaccuracy of any of Seller's representations and warranties, it shall provide Seller with notice of such breach or inaccuracy as promptly as reasonably practicable after the determination thereof, but in no event later than five (5) Business Days before the Closing Date (to the extent Buyer had Knowledge on or before such date), so that Seller may attempt to cure such breach or inaccuracy on or before the Closing Date.

9.2 Seller's Performance.

Each covenant and agreement that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects (except those covenants and agreements that are qualified

as to materiality or Material Adverse Effect or similar expressions shall have been duly performed and complied with in all respects), and Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof. If Buyer obtains Knowledge that Seller has not duly performed or complied in all material respects with a covenant or agreement required by this Agreement, it shall provide Seller with notice of such nonperformance or noncompliance as promptly as reasonably practicable after the determination thereof, but in no event later than five (5) Business Days before the Closing Date (but only to the extent Buyer obtained such Knowledge at least five (5) Business Days prior to the Closing Date), so that Seller may attempt to cure such nonperformance or noncompliance on or before the Closing Date.

9.3 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

9.4 Seller's Deliveries.

Each of the deliveries required to be made to Buyer pursuant to Section 4.4 shall have been so delivered (or Seller shall be ready, willing and able to make such deliveries).

9.5 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be in full force and effect and shall not have been modified, amended, rescinded or vacated in any material respect and (i) time to appeal the Sale Order shall have expired or (ii) the Sale Order shall have permitted the immediate closure of the sale and purchase of the Assets in accordance with Bankruptcy Rule 6004(h) and Bankruptcy Rule 6006(d).

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver in writing by Seller, at or prior to the Closing, of each of the following conditions:

10.1 Accuracy of Representations.

The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.2 Sale Order in Effect.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be in full force and effect and shall not have been modified, amended, rescinded or vacated in

any material respect and (i) time to appeal the Sale Order shall have expired or (ii) the Sale Order shall have permitted the immediate closure of the sale and purchase of the Assets in accordance with Bankruptcy Rule 6004(h).

10.3 Buyer's Performance.

The covenants and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects (except those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.4 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect and which has the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

10.5 Buyer's Deliveries.

Each of the deliveries required to be made to Seller pursuant to Section 4.3 shall have been so delivered (or Buyer shall be ready, willing and able to make such deliveries).

ARTICLE 11

TERMINATION

11.1 Termination Events.

Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) by either Seller or Buyer:

(i) if a Governmental Authority issues a final, non-appealable ruling or Order prohibiting the transactions contemplated hereby where such ruling or Order was not requested, encouraged or supported by the Party (or its Affiliates or its or their Representatives) electing to terminate this Agreement;

(ii) by mutual written consent of Seller and Buyer;

(iii) if the Closing has not occurred by the close of business on November 30, 2016 (the "Outside Date"); *provided, however*, that if the Closing has not occurred by such date, but on such date all of the conditions set forth in Article 9 and Article 10 have been satisfied or waived (to the extent such conditions may be waived), other than (A) any approval or consent from a Governmental Authority required for the Closing to occur or (B) the condition set forth in Section 9.1, then the Outside Date shall automatically be extended until the earlier of (x) thirty (30) days after such date and (y) December 31, 2016 (and such date shall be deemed to be the "Outside Date" for all purposes hereunder); and *provided, further*; that (1) Buyer shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(iii) only if (x) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Buyer has provided written notice to Seller of its intention

to exercise its rights under this Section 11.1(a)(iii) and Seller has not provided written notice to Buyer that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Buyer, and (2) Seller shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(iii) only if (x) Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Seller has provided written notice to Buyer of its intention to exercise its rights under this Section 11.1(a)(iii) and Buyer has not provided written notice to Seller that it is ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Seller;

(iv) if Seller withdraws or seeks authority to withdraw the Sale Motion, or announces any stand-alone plan of reorganization or liquidation with respect to the Assets (or supports any such plan filed by any other party)

(v) if the Bankruptcy Court enters an Order dismissing, or converting into cases under chapter 7 of the Bankruptcy Code, any of the cases commenced by any Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case; but only, in the case of any Seller, where such Order was not requested, encouraged or supported by such Seller or its Affiliates or its or their Representatives; or

(vi) if the Bidding Procedures Order has not been entered by September 30, 2016; *provided* that Seller may not terminate this Agreement pursuant to this Section 11.1(a)(vi) if Seller is in material breach of Section 7.4.

(b) by Buyer:

(i) in the event of any breach by Seller of any of Seller's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and if Seller has failed to cure such breach on or prior to the Outside Date (as may be extended); *provided, however*, that (1) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order, (2) Buyer notifies Seller in writing (the "Buyer Termination Notice") of its intention to exercise its rights under this Section 11.1(b)(i) as a result of the breach, and (3) Buyer specifies in the Buyer Termination Notice the representation, warranty, covenant or agreement contained herein or in the Bidding Procedures Order or Sale Order of which Seller is allegedly in breach and a description of the specific factual circumstances to support the allegation; or

(ii) if (A) Buyer is not the Successful Bidder or the Backup Bidder at the Auction, (B) Buyer is selected as the Backup Bidder and the Buyer is not re-designated as the Successful Bidder within 30 days of the Auction or (C) in the event Seller enters into a definitive agreement regarding a Superior Proposal.

(c) by Seller:

(i) in the event of any breach by Buyer of any of Buyer's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.3 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Buyer to cure such breach within ten (10) days after receipt of the Seller Termination Notice;

provided, however, that Seller (A) is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order, (B) notifies Buyer in writing (the “Seller Termination Notice”) of its intention to exercise its rights under this Section 11.1(c)(i) as a result of the breach, and (C) specifies in the Seller Termination Notice the representation, warranty, covenant or agreement contained herein or in the Bidding Procedures Order or Sale Order of which Buyer is allegedly in breach and a description of the specific factual circumstances to support the allegation;

(ii) in the event Seller enters into a definitive agreement regarding a Superior Proposal; or

(iii) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction; provided that contemporaneously with such termination, Seller enters into a definitive agreement with the Successful Bidder and the Backup Bidder pursuant to which Seller will sell and convey the Assets and Seller pays (or causes to be paid) to Buyer the Break-Up Fee and the Expense Reimbursement in accordance with Section 11.2.

11.2 Effect of Termination.

(a) In the event of termination of this Agreement by Buyer or Seller pursuant to this Article 11, all rights and obligations of the Parties under this Agreement shall terminate without any Liability of any Party to any other Party; *provided, however*, that nothing herein shall relieve any Party from liability for any willful and material breach of this Agreement prior to such termination (it being understood, however, that Buyer’s liability shall be subject to the limitations described in Section 11.2(d)). The provisions of this Section 11.2 and Section 3.2 (and, to the extent applicable to the interpretation or enforcement of such provisions, Article 1 and Article 13), shall expressly survive the termination of this Agreement.

(b) In the event of a termination of this Agreement by (i) Buyer pursuant to Section 11.1(b)(i) or (ii) Buyer or Seller pursuant to Section 11.1(a)(iii) (other than a termination by Seller whereby Buyer would not also be permitted to terminate this Agreement) or Section 11.1(a)(v), Seller shall pay to Buyer the Expense Reimbursement within two (2) Business Days following such termination and receipt of applicable invoices from Buyer. Additionally, in the event of a termination of this Agreement by (A) Buyer pursuant to Section 11.1(b)(i) or (B) Seller or Buyer pursuant to Section 11.1(a)(iii) (other than a termination by Seller whereby Buyer would not also be permitted to terminate this Agreement) or Section 11.1(a)(v), and Seller executes a definitive agreement with respect to, or consummates, a sale of a material portion of the Assets (whether in a single or series of related transactions) within twelve (12) months following such termination, Buyer will be entitled to a break-up fee equal to three percent (3.0%) of the Base Purchase Price (the “Break-Up Fee”), less any Expense Reimbursement that has been paid to Buyer at the time the Break-Up Fee becomes payable, to be paid contemporaneously with, and out of Seller’s proceeds from, the consummation of such transaction. The Expense Reimbursement and the Break-Up Fee shall be an allowed administrative expense under Sections 503 and 507 of the Bankruptcy Code.

(c) In the event of a termination of this Agreement by (i) Buyer or Seller pursuant to Section 11.1(a)(iv), (ii) Buyer pursuant to Section 11.1(b)(ii) or (iii) Seller pursuant to Section 11.1(c)(ii) or Section 11.1(c)(iii), Buyer will be entitled to the Break-Up Fee to be paid within two (2) Business Days following such termination event. The Break-Up Fee shall be an allowed administrative expense under Sections 503 and 507 of the Bankruptcy Code.

(d) In the event this Agreement is terminated by Seller pursuant to Section 11.1(c)(i), the Seller's right to receive the Deposit shall be Seller's sole and exclusive remedy against Buyer or any of its Party Affiliates and, upon release of the Deposit to Seller in the event of any such termination by Seller, neither Buyer nor any of its Party Affiliates shall have any liability or obligation to Seller relating to or arising out of this Agreement or the transactions contemplated hereby.

(e) In furtherance of the foregoing, the obligations of Seller shall be joint and several among Seller, its estate and any party that acquires an interest in any of the Assets and the Break-Up Fee and Expense Reimbursement shall constitute an allowed administrative expense against Seller and its estate. Seller agrees and acknowledges that Buyer has, in reliance on the availability of the payment, reimbursement and procedures set forth in this Agreement, researched the value of the Assets, has expended and will expend substantial resources and funds in connection with a purchase of the Assets, and is willing to serve as a "stalking horse" in connection with the proposed sale of the Assets for purposes of promoting competitive bidding that otherwise would not have been made. Seller acknowledges that Buyer has, by submitting the bid embodied in this Agreement, provided a benefit to Seller's bankruptcy estates by increasing the likelihood that the price at which the Assets are sold or otherwise disposed will reflect their true worth and that absent the agreements regarding the payments contemplated by this Section 11.2, Seller may lose the opportunity to obtain the highest and best available offer in respect of the Assets.

ARTICLE 12

SURVIVAL AND INDEMNIFICATION

12.1 No Survival of Seller's Representations and Warranties.

The representations and warranties of Seller contained herein and in any certificate or other Transaction Document delivered by Seller pursuant to this Agreement shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof. Each of Seller's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except the Post-Closing Covenants applicable to Seller, which shall survive the Closing until the earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b)(i) if time for performance of such Post-Closing Covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such Post-Closing Covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; *provided* that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

12.2 No Survival of Buyer's Representations and Warranties.

The representations and warranties of Buyer contained herein and in any certificate delivered by Buyer pursuant to this Agreement shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof. Each of Buyer's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except the Post-Closing Covenants applicable to Buyer, which shall survive the Closing until the

earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b)(i) if time for performance of such Post-Closing Covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such Post-Closing Covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; provided that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

12.3 Indemnification by Seller.

Seller hereby agrees to indemnify and hold Buyer and each member of the Buyer Parties harmless from and against all Excluded Receivables Liabilities. The Parties agree and acknowledge that Seller shall have the sole right to file and otherwise prosecute all claims or other legal proceedings related to or associated with the collection of the Excluded Receivables. Buyer hereby consents to being named as a party to any such legal proceedings (subject to Seller's indemnification obligation set forth in this Section 12.3).

12.4 Calculation of Liabilities.

The amount of any Liabilities for which indemnification is provided under this Article 12 shall be net of any amounts actually recovered by the Buyer Party under insurance policies with respect to such Liabilities (net of any Tax or expenses incurred in connection with such recovery).

12.5 Tax Treatments of Indemnity Payments.

The Parties agree to treat any indemnity payment made pursuant to this Article 12 as an adjustment to the Base Purchase Price for federal, state, local and foreign income tax purposes. Any indemnity payment under this Article 12 shall be treated as (i) an adjustment to the value of the Asset upon which the underlying Indemnification Claim was based to the extent that it is possible to do so, or (ii) with respect to any adjustment not allocated to a specific Asset described in clause (i), an adjustment to the value of the Assets on a *pro rata* basis in proportion to the Allocated Value allocated to such Asset on Schedule 8.2, in each case, unless a final determination (which shall include the execution of a Form 870-AD or successor form) with respect to the Buyer Party causes any such payment not to be treated as an adjustment to the value of the Asset or Assets, as applicable, for federal income tax purposes.

ARTICLE 13

GENERAL PROVISIONS

13.1 Confidentiality.

Notwithstanding anything in the Non-Disclosure Agreement to the contrary, the Parties agree that the non-disclosure agreement entered into by them and their Affiliates, dated February 17, 2016 (the "Non-Disclosure Agreement"), shall continue in full force and effect notwithstanding the execution and delivery by the Parties of this Agreement until Closing (at which point the Non-Disclosure Agreement shall terminate); *provided, however*, that (a) disclosure of matters that become a matter of public record, whether as a result of the Bankruptcy Case and the filings related thereto shall not constitute a breach of such Non-

Disclosure Agreement, and (b) disclosures permitted under this Agreement shall not constitute a breach of such Non-Disclosure Agreement.

13.2 Public Announcements.

Buyer, on the one hand, and Seller, on the other hand, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement, the transaction contemplated hereby or the activities and operations of the other Party, and shall not issue any such release or make any such statement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, prior to or after the Closing, if Buyer (including any of its parent entities), on the one hand, or Seller (including any of its parent entities), on the other is required to make any statement, declaration or public announcement regarding this Agreement or the transaction contemplated hereunder pursuant to (a) any Legal Requirement, (b) applicable rules or regulations of any national securities exchange, or (c) the terms of such Party's (including such Party's respective parent entities) indentures, loan agreements, credit agreements or other similar debt agreements or financial instruments, then the same may be made without the approval of the other Party, but, in the case of disclosures made by Buyer, only to the extent the name of Seller is omitted from such statement, declaration or announcement if permitted by the applicable Legal Requirements.

13.3 Notices.

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving Party being obligated to respond affirmatively to any read receipt requests delivered by the other Party), (c) received by the addressee, if sent by a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Parties):

- (i) If to Seller, then to:

Samson Resources Company
Two West Second Street
Tulsa, Oklahoma 74103-3103
Attn: General Manager – Business Development
Phone: (918) 591-1254
E-mail: bd@samson.com

and

Samson Resources Company
Two West Second Street
Tulsa, Oklahoma 74103-3103
Attn: Corporate Secretary
Phone: (918) 583-1791
E-mail: legal@samson.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn: Ross M. Kwasteniet; Brad Weiland; Jason
Gott
Phone: (312) 862-7182
E-mail: brad.weiland@kirkland.com

Kirkland & Ellis LLP
600 Travis Street, Suite 3300
Houston, Texas 77002
Attn: Anthony Speier, P.C.; Cody R. Carper
Phone: (713) 835-3734
E-mail: cody.carper@kirkland.com

(ii) If to Buyer:

Resource Energy Can-Am LLC
1805 Shea Center Drive, Suite 100
Highlands Ranch, Colorado 80129
Attn: Paul Favret, CEO
Phone: (720) 763-3674
E-mail: pfavret@resource-energy-US.com

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

Vinson & Elkins LLP
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201
Attn: John Grand
Phone: (214) 220-7866
E-mail: jgrand@velaw.com

13.4 Waiver; Waiver of Damages.

No waiver of any of the provisions of this Agreement or rights hereunder shall operate as a waiver unless it is in writing and signed by the Party against whom enforcement of such waiver is sought. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party

shall be deemed to be a waiver of any right of the Party giving such notice or demand to take further action without notice or demand. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS AGREEMENT AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES; *PROVIDED* THAT NOTHING CONTAINED HEREIN SHALL WAIVE A PARTY'S RIGHTS TO SEEK OR RECOVER SUCH DAMAGES TO THE EXTENT SUCH DAMAGES ARE ASSERTED BY AN UNAFFILIATED THIRD PARTY, EXCEPT TO THE EXTENT ANY BUYER PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD PARTY IN CONNECTION WITH A FINALLY ADJUDICATED THIRD PARTY CLAIM, IN WHICH CASE SUCH DAMAGES SHALL BE RECOVERABLE (TO THE EXTENT RECOVERABLE UNDER ARTICLE 12) WITHOUT GIVING EFFECT TO THIS SECTION 13.4.

13.5 Entire Agreement; Amendment.

This Agreement (including the Schedules, Disclosure Schedules and the Exhibits) and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to their subject matter. This Agreement may not be amended except by a written agreement executed by all of the Parties.

13.6 Assignment.

This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Parties (which consent may be granted or withheld in the sole discretion of such other Party). Notwithstanding the foregoing, Buyer shall have the right to assign its rights to receive all or any part of the Assets and its obligations to assume all or any part of the Assumed Liabilities, in each case to one or more Affiliates of Buyer prior to the Closing by providing written notice to Seller and each such designated Affiliate shall be deemed to be Buyer for all purposes hereunder and under the Transaction Documents, except that no such assignment shall relieve Buyer of any of its obligations hereunder.

13.7 Severability.

The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

13.8 Expenses.

The Parties shall bear their own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

13.9 Time of the Essence.

Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

13.10 Specific Performance.

The Parties agree that irreparable damage would occur if any provision of this Agreement is not performed in accordance with the terms hereof, including if any of the Parties fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement, and, accordingly, (a) prior to the Closing, any Party shall be entitled to an injunction or injunctions without proof of damages or posting a bond or other security to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, including specific performance of such covenants, promises or agreements or an order enjoining the other Party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement, and (b) from and after the Closing, any Party shall be entitled to an injunction or injunctions without proof of damages or posting a bond or other security to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity. The right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right, neither Seller nor Buyer would have entered into this Agreement. If, prior to the Outside Date, any Party brings any action to enforce specifically the performance of the terms and provisions hereof by the other Party, the Outside Date will automatically be extended (i) for the period during which such action is pending, plus ten (10) Business Days or (ii) by such other time period established by the court presiding over such action, as the case may be.

13.11 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) Except (i) to the extent the mandatory provisions of the Bankruptcy Code apply and (ii) except for any real property issues, which shall be governed by and construed and enforced in accordance with the internal laws of the State of North Dakota without reference to the change of law rule, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Texas applicable hereto.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; provided, however, that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to

this Agreement shall be heard and determined in a Texas state court or a federal court sitting in the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3) or any other manner permitted by law.

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

13.12 Counterparts.

This Agreement and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 13.3, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by telecopier or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

13.13 Parties in Interest; No Third Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind.

13.14 No Recourse.

Notwithstanding anything that may be expressed or implied in this Agreement or any Transaction Document, and notwithstanding the fact that any Party may be a partnership or limited liability company, each Party, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that no Persons other than the Parties shall have any obligation hereunder and that it has no rights of recovery hereunder against, and no recourse hereunder or under any Transaction Documents or in respect of any oral representations made or alleged to be made in connection herewith or therewith shall be had against, any former, current or future Affiliate, incorporator, controlling Person, fiduciary, Representative, co-owner or equity holder of any Party (or any of their successors or permitted assignees) (each, a "Party Affiliate"), whether by or through attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of such Person against the Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Legal Requirement, or otherwise; it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Party Affiliate, as such, for any obligations of the applicable Person under this Agreement or the transaction contemplated hereby, under any documents or instruments delivered contemporaneously herewith, in respect of any oral representations made

or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

13.15 Disclosure Schedules; Materiality.

The inclusion of any matter in any Disclosure Schedule shall be deemed to be an inclusion for all purposes of this Agreement, in all other Disclosure Schedules to the extent that such disclosure is sufficient to identify the matter to which such disclosure is responsive, but inclusion therein shall not be deemed to constitute an admission, or otherwise imply, that any such matter is material or creates a measure for materiality for purposes of this Agreement. The disclosure of any particular fact or item in any Disclosure Schedule shall not be deemed an admission as to whether the fact or item is “material” or would constitute a “Material Adverse Effect.”

13.16 Liquidating Trustee.

If at any time Seller liquidates or otherwise has a trustee or other representative appointed by the Bankruptcy Court, then such trustee or other representative shall be entitled to exercise the rights of Seller under this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

SAMSON RESOURCES COMPANY

By: 

Name: Sean Woolverton

Title: Executive Vice President & Chief Operating Officer

RESOURCE ENERGY CAN-AM LLC

By: _____

Name: Paul Favret

Title: Chief Executive Officer

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

SAMSON RESOURCES COMPANY

By: _____

Name: Sean Woolverton

Title: Executive Vice President & Chief Operating Officer

RESOURCE ENERGY CAN-AM LLC

By:  _____

Name: Paul Favret

Title: Chief Executive Officer

Exhibit C-3

Tecolote Stalking Horse Agreement

ASSET PURCHASE AGREEMENT
DATED AS OF SEPTEMBER 2, 2016,
BY AND BETWEEN
SAMSON RESOURCES COMPANY
AS SELLER,
AND
TECOLOTE HOLDINGS, LLC,
AS BUYER

TABLE OF CONTENTS

ARTICLE 1

DEFINITIONS

1.1	Definitions.....	2
1.2	Other Definitions and Interpretive Matters.....	14

ARTICLE 2

PURCHASE AND SALE

2.1	Purchase and Sale	16
2.2	Excluded Assets	18
2.3	Assumed Liabilities	19
2.4	Excluded Liabilities	20
2.5	Cure Costs	22
2.6	Assignment of Assets Subject to Consent Requirements	22
2.7	Further Assurances.....	23

ARTICLE 3

PURCHASE PRICE

3.1	Purchase Price.....	23
3.2	Deposit	24

ARTICLE 4

CLOSING

4.1	Closing Date.....	24
4.2	Payment on the Closing Date.....	25
4.3	Buyer’s Deliveries	25
4.4	Seller’s Deliveries	26
4.5	Records	27

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

5.1	Organization and Good Standing.....	27
5.2	Authority; Validity; Governmental Authority Consents.....	27
5.3	No Conflict.....	28
5.4	Material Contracts.....	28
5.5	Permits	28
5.6	Wells; Plug and Abandon Notice.....	29

5.7	Imbalances; Unsatisfied Throughput Obligations	29
5.8	AFEs	29
5.9	Hedging.....	29
5.10	Preferential Purchase Rights	29
5.11	Suspense Funds.....	30
5.12	Intellectual Property.....	30
5.13	Taxes	30
5.14	Legal Proceedings.....	30
5.15	Labor Matters.....	30
5.16	Employee Benefits.....	31
5.17	No Take-or-Pay Obligations	31
5.18	Payments.....	32
5.19	Brokers or Finders.....	32
5.20	Consents.....	32
5.21	No Violation of Laws.....	32
5.22	Condemnation; Casualty Loss	32
5.23	Certain Lease Matters	33
5.24	Seller Credit Obligations.....	33
5.25	Equipment.....	33
5.26	Environmental Matters.....	33
5.27	Knowledge Qualifier for Non-Operated Assets.....	33

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

6.1	Organization and Good Standing.....	33
6.2	Authority; Validity; Consents	33
6.3	No Conflict.....	34
6.4	Availability of Funds	34
6.5	Litigation.....	34
6.6	Bankruptcy.....	35
6.7	Brokers or Finders.....	35
6.8	Knowledge and Experience	35
6.9	Qualification to Assume Operatorship.....	35

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1	Access and Reports.....	36
7.2	Operations Prior to the Closing Date.....	37
7.3	Commercially Reasonable Efforts	38
7.4	Bankruptcy Court Approval.....	39
7.5	Updates and Amendments of Exhibits, Schedules and Disclosure Schedules	40
7.6	Bidding Procedures.....	41

7.7	Access to Buyer Documentation.....	41
-----	------------------------------------	----

ARTICLE 8

ADDITIONAL AGREEMENTS

8.1	Taxes	41
8.2	Allocation of Purchase Price.....	43
8.3	Bulk Sales	43
8.4	Assigned Contracts; Adequate Assurance and Performance	43
8.5	Employee and Employee Benefit Matters	44
8.6	Post-Closing Books and Records and Personnel	46
8.7	No Other Representations or Warranties; Disclaimers; NORM.....	46
8.8	Casualty.....	48
8.9	Successor Operator	49
8.10	Preferential Purchase Rights	49
8.11	Accounting Adjustments for Revenues and Expenses.....	49
8.12	Initial Adjustment at Closing.....	51
8.13	Adjustment Post Closing.....	51

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

9.1	Accuracy of Representations	52
9.2	Seller’s Performance	53
9.3	No Order	53
9.4	Seller’s Deliveries.....	53
9.5	Sale Order	53

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

10.1	Accuracy of Representations	53
10.2	Sale Order in Effect	54
10.3	Buyer’s Performance	54
10.4	No Order	54
10.5	Buyer’s Deliveries	54

ARTICLE 11

TERMINATION

11.1	Termination Events.....	54
11.2	Effect of Termination.....	56
11.3	Break-Up Fee and Expense Reimbursement	56

ARTICLE 12

SURVIVAL AND INDEMNIFICATION

12.1	No Survival of Seller’s Representations and Warranties.....	57
12.2	Survival of Buyer’s Representations and Warranties	57
12.3	Indemnification by Buyer	58
12.4	Indemnification Procedures	58
12.5	Calculation of Liabilities.....	59
12.6	Tax Treatments of Indemnity Payments.....	59

ARTICLE 13

GENERAL PROVISIONS

13.1	Confidentiality	59
13.2	Public Announcements	60
13.3	Notices	60
13.4	Waiver; Waiver of Damages.....	61
13.5	Entire Agreement; Amendment	62
13.6	Assignment	62
13.7	Severability	62
13.8	Expenses	62
13.9	Time of the Essence	63
13.10	Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.....	63
13.11	Counterparts.....	63
13.12	Parties in Interest; No Third Party Beneficiaries	64
13.13	No Recourse.....	64
13.14	Disclosure Schedules; Materiality	64
13.15	Specific Performance	64
13.16	Liquidating Trustee.....	65
13.17	Approval of the Bankruptcy Court	65

SCHEDULES:

Schedule 1.1(a)	Seller's Knowledge Persons
Schedule 1.1(b)	Buyer's Knowledge Persons
Schedule 2.1(b)(iv)	Compressors and Other Equipment
Schedule 2.1(b)(v)	Miscellaneous Corporate Property
Schedule 2.1(b)(vi)	Pipe and Other Inventory
Schedule 2.1(b)(xii)	Known Receivables
Schedule 2.1(b)(xiii)	Included Intellectual Property
Schedule 2.2(b)	Certain non-excluded cash and cash equivalents
Schedule 2.2(g)	Excluded Leases and Interests
Schedule 2.2(h)	Excluded Contracts
Schedule 2.2(t)	Additional Excluded Assets
Schedule 2.5	Cure Costs
Schedule 4.3(j)	Ownership and Operatorship Qualifications
Schedule 7.2	Operations Prior to the Closing Date
Schedule 8.2	Allocated Values
Schedule 8.5(a)	Applicable Employees
Schedule 8.11(a)(iv)	Cash Call Pre-Payment Amounts

DISCLOSURE SCHEDULES:

Disclosure Schedule 5.2	Governmental Authority Consents
Disclosure Schedule 5.4	Material Contracts
Disclosure Schedule 5.6A	Wells
Disclosure Schedule 5.6B	Payout Balances
Disclosure Schedule 5.7	Imbalances
Disclosure Schedule 5.8	AFEs
Disclosure Schedule 5.10	Preferential Purchase Rights
Disclosure Schedule 5.11	Suspense Funds
Disclosure Schedule 5.12	Intellectual Property
Disclosure Schedule 5.13	Taxes
Disclosure Schedule 5.14	Legal Proceedings
Disclosure Schedule 5.16	Benefit Plans
Disclosure Schedule 5.17	Take-or-Pay Obligations
Disclosure Schedule 5.18	Payments
Disclosure Schedule 5.20	Consents
Disclosure Schedule 5.21	No Violation of Laws
Disclosure Schedule 5.24	Seller Credit Obligations

EXHIBITS:

Exhibit A	Form of Bidding Procedures
Exhibit B	Form of Bidding Procedures Order
Exhibit C	Assigned Leases and Interests
Exhibit D	Wells

Exhibit E	Assigned Contracts
Exhibit F	Form of Assumption Agreement
Exhibit G	Form of Assignment
Exhibit H	Form of Deed
Exhibit I	Surface Rights
Exhibit J	Form of Transition Services Agreement

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of September 2, 2016 (the "Execution Date"), but effective for the purposes set forth herein as of the Effective Date, is by and between Samson Resources Company, an Oklahoma corporation, whose address is Samson Plaza, Two West Second Street, Tulsa, Oklahoma 74103 ("Seller"), and Tecolote Holdings, LLC, a Delaware limited liability company, whose address is 401 S. Boston Ave., Suite 1500, Tulsa, Oklahoma 74103 ("Buyer"). Capitalized terms used but not otherwise defined herein have the meanings set forth in Article 1. Seller and Buyer are sometimes referred to collectively herein as the "Parties" and individually as a "Party".

RECITALS

WHEREAS, Seller is engaged in the business of onshore oil and natural gas exploration, development and production in the United States of America, and owns, in varying proportions, certain oil and gas leases and associated assets more particularly described in Section 2.1;

WHEREAS, on September 16, 2015, Seller commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, Seller desires to sell to Buyer all of the Assets, and Buyer desires to purchase from Seller all of the Assets Free and Clear (except for Permitted Encumbrances and the Assumed Liabilities), upon the terms and conditions hereinafter set forth;

WHEREAS, the Parties intend to effectuate the transactions contemplated by this Agreement through a sale of the Assets pursuant to Sections 105, 363 and 365 of the Bankruptcy Code;

WHEREAS, Buyer's obligation to consummate the transactions contemplated hereby is conditioned upon the Bankruptcy Court's approval of the Break-Up Fee and Expense Reimbursement, which have induced Buyer to enter into this Agreement;

WHEREAS, approval of the Break-Up Fee and Expense Reimbursement is necessary to preserve the Buyer's bid to purchase the Assets;

WHEREAS, the Parties acknowledge and agree that the terms of this Agreement are the result of arm's length negotiations;

WHEREAS, Seller has solicited bids for the Assets in order to obtain the highest and best offer therefor;

WHEREAS, Seller has determined that Buyer's offer to purchase the Assets is the highest and best offer received to date for the Assets and constitutes a fair and adequate purchase price for the Assets; and

WHEREAS, Seller's ability to consummate the transactions set forth in this Agreement is subject to, among other things, the entry of the Sale Order by the Bankruptcy Court;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions.

For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“Accounting Referee” has the meaning set forth in Section 8.13.

“Action” means any legal action, suit or arbitration, or any inquiry, proceeding or investigation, by or before any Governmental Authority.

“AFEs” has the meaning set forth in Section 5.8.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by, or is under common Control with, such specified Person; provided that (i) Kohlberg Kravis Roberts & Co. L.P. and all private equity funds, portfolio companies, parallel investment entities, and alternative investment entities owned, managed, or Controlled by Kohlberg Kravis Roberts & Co. L.P. (excluding Samson Resources Corporation and its Subsidiaries (other than Seller)) shall not be considered or otherwise deemed to be an “Affiliate” of Seller, and (ii) none of NGP Energy Capital Management, LLC, a fund managed or organized by NGP Energy Capital Management, LLC for the purposes of making investments, or a portfolio company of any such fund, other than Buyer Parent and its Subsidiaries (other than Buyer), shall be an “Affiliate” of Buyer for purposes of this Agreement.

“Agreement” has the meaning set forth in the introductory paragraph.

“Allocated Value” has the meaning set forth in Section 8.2.

“Alternative Transaction” means the first to occur of (i) a sale or series of sales (including a sale or series of sales to secured creditors via credit bids) of all or substantially all of the Assets or any other liquidation, reorganization, or restructuring involving the Assets, excluding in all cases the sale of the Assets by Seller to Buyer contemplated by this Agreement, and (ii) the conclusion of the Bankruptcy Case.

“Applicable Employees” means those employees of Seller and its Subsidiaries that are listed on Schedule 8.5(a).

“Asset Taxes” has the meaning set forth in Section 8.1(c).

“Assets” has the meaning set forth in Section 2.1(b).

“Assigned Contracts” has the meaning set forth in Section 2.1(b)(viii).

“Assigned Leases and Interests” has the meaning set forth in Section 2.1(b)(i).

“Assignment” means the Assignment and Bill of Sale substantially in the form attached hereto as Exhibit G.

“Assumed Credits” means the amount of any credits and/or payables that are owed by Seller to third party working interest owners with respect to the Assets as of the Closing Date. Notwithstanding anything in this definition to the contrary, the “Assumed Credits” shall not include any credits and/or payables attributable to a third party working interest owner that is in a total net credit position on account with Seller with respect to the Assets (after taking into account the Known Receivables of such third party working interest owner).

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Assumption Agreement” has the meaning set forth in Section 2.3.

“Auction” has the meaning set forth in the Bidding Procedures.

“Avoidance Actions” means any and all claims for relief of Seller under chapter 5 of the Bankruptcy Code.

“Backup Bidder” has the meaning set forth in the Bidding Procedures.

“Bankruptcy Case” means the case commenced by Seller under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, jointly administered under Case No. 15-11934 and styled *In re: Samson Resources Corporation, et al.*, pending before the Bankruptcy Court.

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

“Bankruptcy Court” has the meaning set forth in the recitals.

“Base Purchase Price” has the meaning set forth in Section 3.1.

“Benefit Plan” has the meaning set forth in Section 5.16(a).

“Bid Deadline” has the meaning set forth in the Bidding Procedures Order.

“Bidding Procedures” means bid procedures reasonably acceptable to the Buyer and in substantially the form attached hereto as Exhibit A, to be submitted to the Bankruptcy Court for approval pursuant to the Bidding Procedures Order.

“Bidding Procedures Order” means an Order entered by the Bankruptcy Court reasonably acceptable to the Buyer and in substantially the form attached hereto as Exhibit B.

“Break-Up Fee” has the meaning set forth in Section 11.3.

“Business Day” means any day, other than Saturday or Sunday, on which commercial banks are open for commercial business with the public in Tulsa, Oklahoma.

“Buyer” has the meaning set forth in the introductory paragraph.

“Buyer Operator” means Tecolote Energy Operating, LLC, a Delaware limited liability company and wholly owned subsidiary of Buyer Parent.

“Buyer Parent” means Tecolote Energy, LLC, a Delaware limited liability company and owner of all of the outstanding membership interests of Buyer.

“Buyer Parties” means Buyer, its respective Affiliates and the former, current or future equity holders and Representatives of each of the foregoing.

“Buyer Termination Notice” has the meaning set forth in Section 11.1(b)(i).

“Casualty Loss” means any loss, damage or destruction of the Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear, and any change in condition of the Assets for production of Hydrocarbons through normal depletion (which exclusion shall include the watering-out of any Well, collapsed casing, sand infiltration of any Well, or other reservoir changes relating to production issues).

“Claim” shall mean a right to (i) a payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (ii) an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

“Closing” has the meaning set forth in Section 4.1.

“Closing Date” has the meaning set forth in Section 4.1.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

“COBRA Beneficiaries” has the meaning set forth in Section 8.5(d).

“COBRA Coverage” has the meaning set forth in Section 8.5(d).

“Code” means the Internal Revenue Code of 1986, as amended.

“Commitment Letters” has the meaning set forth in Section 7.7.

“Contract” means any agreement, contract, obligation, promise or undertaking (in each case, whether written or oral), other than a Lease, that is legally binding.

“Control” means the ability (directly or indirectly through one or more intermediaries) to direct or cause the direction of the management or affairs of a Person, whether through the ownership of voting interests, by contract or otherwise.

“Copyrights” means all United States and foreign copyright rights in any original works of authorship, whether registered or unregistered, including all copyright registrations and applications.

“Cure Costs” has the meaning set forth in Section 2.5.

“Deed” means the Special Warranty Deed for the Elk City Office substantially in the form attached hereto as Exhibit H.

“Deposit” has the meaning set forth in Section 3.2.

“Effective Date” means 12:00 a.m., Central Daylight Time, on July 1, 2016.

“Elk City Office” means that certain Elk City Office and Storage Yard, located at 1000 Industrial Road, Elk City, Beckham County, Oklahoma, consisting of 7.5 acres, and all improvements thereon.

“Encumbrance” means any charge, lien (statutory or otherwise), mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal (or any other type of preferential arrangement), easement, servitude, restrictive covenant, encroachment, encumbrance, Third Party interest or other restriction or limitation of any kind.

“Environmental Condition” means (a) a condition with respect to the air, soil, subsurface, surface waters, ground waters and/or sediments that causes an Asset (or Seller with respect to an Asset) not to be in compliance with any Environmental Law, or (b) the existence with respect to any of the Assets or the operation thereof of any environmental pollution, contamination or degradation where remedial or corrective action is required (or if known, would be required) under Environmental Laws.

“Environmental Laws” means any and all present and future Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations issued, or promulgated by any Governmental Authority now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, release, or threatened release of pollutants, contaminants, NORM, chemicals, or industrial, toxic or hazardous substances (collectively, “Pollutants”) on or into the environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of Pollutants, (b) health, (c) the environment or (d) wildlife or natural resources applicable to the Assets and in effect in or for the jurisdiction in which the Assets are

located, including the Clean Air Act (Air Pollution Control Act), the Clean Water Act (CWA), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (NEPA), the Endangered Species Act (ESA), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (FWCA), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act of 1986 (SARA), the Resources Conservation and Recovery Act (RCRA), the Toxic Substance Control Act, the Occupational, Safety and Health Act (OSHA), the Emergency Planning and Community Right-To-Know Act (EPCRA), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (HSWA) and any and all other applicable present and future federal, state and local Legal Requirements, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, permits, licenses or determinations whose purpose is to regulate Pollutants or to conserve or protect health, the environment, wildlife or natural resources as any of the foregoing are now existing or may hereafter be amended or interpreted.

“Equipment” has the meaning set forth in Section 2.1(b)(iv).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” has the meaning set forth in Section 5.16(a).

“Escrow Agent” has the meaning set forth in Section 3.2.

“Excess Casualty Losses” has the meaning set forth in Section 8.8(b).

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Contracts” means those Contracts described on Schedule 2.2(h).

“Excluded Leases and Interests” means those Leases and Mineral Interests described on Schedule 2.2(g).

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Records” means (a) the general corporate files and records of Seller or any Transferring Subsidiary, insofar as they relate to Seller’s or such Transferring Subsidiary’s business generally and are not required for the future ownership or operation of the Assets, (b) all legal files and records (other than title opinions), (c) Seller’s and the Transferring Subsidiaries’ federal or state income, franchise or margin tax files and records, (d) employee files, (e) reserve evaluation information or economic projections, (f) records relating to the sale of the Assets, including competing bids, (g) proprietary data, information and other data under contractual restrictions on assignment or disclosure, (h) privileged information (other than title opinions) and (i) any other files or records to the extent relating to any Excluded Assets or expressly excluded from the Assets pursuant to Section 2.1(b)(xi).

“Execution Date” has the meaning set forth in the introductory paragraph.

“Expense Reimbursement” has the meaning set forth in Section 11.3.

“Expiration Date” has the meaning set forth in Section 12.2.

“Final Order” means an Action taken or Order issued by the applicable Governmental Authority as to which: (a) no request for stay of the Action or Order is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by statute or regulation, it is passed, including any extensions thereof; (b) no petition for rehearing or reconsideration of the Action or Order, or protest of any kind, is pending before the Governmental Authority and the time for filing any such petition or protest is passed; (c) the Governmental Authority does not have the Action or Order under reconsideration or review on its own motion and the time for such reconsideration or review has passed; and (d) the Action or Order is not then under judicial review, there is no notice of appeal or other application for judicial review pending, and the deadline for filing such notice of appeal or other application for judicial review has passed, including any extensions thereof.

“Final Settlement Statement” has the meaning set forth in Section 8.13.

“Financing” has the meaning set forth in Section 7.7.

“Free and Clear” means free and clear of all liens, Claims, causes of action, Encumbrances, interests, pledges, security interests, rights of setoff, restrictions or limitations on use, successor liabilities, conditions, rights of first refusal, options to purchase, obligations to allow participation, agreements or rights, rights asserted in litigation matters, rights asserted in adversary proceedings in the Bankruptcy Case, competing rights of possession, obligations to lend, matters filed of record that relate to, evidence or secure an obligation of Seller or any Transferring Subsidiary (and all created expenses and charges) of any type under, among other things, any document, instrument, Contract, affidavit, matter filed of record, cause, or Law, whether known or unknown, legal or equitable, and all liens, rights of offset, replacement liens, adequate protection liens, charges, obligations, or claims granted, allowed or directed in any Order, to the fullest extent provided by applicable Law.

“Governmental Authority” means any court or tribunal (including an arbitrator or arbitral panel) in any jurisdiction (domestic or foreign) or any federal, tribal, state, county, municipal or other governmental or quasi-governmental body, agency, authority, department, board, commission, bureau, official or other authority or instrumentality.

“Governmental Authorization” means any approval, consent, license, permit, waiver or other authorization issued, granted or otherwise made available by or under the authority of any Governmental Authority.

“Hard Consent” has the meaning set forth in Section 2.6.

“Hazardous Substance” means any Pollutant and any “contaminant,” “hazardous waste,” “hazardous material” or “hazardous substance” under any Environmental Laws.

“Hydrocarbons” means oil, gas, minerals, and other gaseous and liquid hydrocarbons, or any combination of the foregoing, produced from and attributable to the Properties.

“Imbalances” means over-production or under-production or over-deliveries or under-deliveries with respect to Hydrocarbons produced from or allocated to the Properties, regardless of whether such over-production or under-production or over-deliveries or under-deliveries arise at the wellhead, pipeline (taking into account any line fill), gathering system, transportation system, processing plant, or other location, including any imbalances under gas balancing or similar agreements, imbalances under production handling agreements, imbalances under processing agreements, imbalances under the Assigned Leases and Interests, imbalances under gathering or transportation agreements, and imbalances under operating agreements.

“Inactive Employee” has the meaning set forth in Section 8.5(a).

“Indemnification Claim” has the meaning set forth in Section 12.4(a).

“Intellectual Property” means all intellectual property, including all Copyrights, Patents and Trademarks, owned, used or licensed by Seller and used or held for use exclusively in the ownership and operation of the Assets, but specifically excluding, for the avoidance of doubt, (a) all Records, (b) all seismic, geological, geochemical or geophysical data licensed by Seller and any of Seller’s interpretations of such data and (c) that certain intellectual property being more particularly described on Schedule 2.1(b)(xii).

“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual knowledge (with duty of reasonable inquiry) of any of the individuals listed on Schedule 1.1(a) with respect to such matter, and (b) in the case of Buyer, the actual knowledge (with duty of reasonable inquiry) of any of the individuals listed on Schedule 1.1(b) with respect to such matter.

“Known Receivables” means all expenditures incurred by Seller prior to the Closing Date in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments, Taxes and other charges and expenses billed under applicable operating agreements or governmental statute(s)) and billed to Third Party working interest owners. The “Known Receivables” attributable to any third party working interest owner shall be reduced by the amount of the Assumed Credits that are owed by Seller to such third party working interest. Notwithstanding anything in this definition to the contrary, the “Known Receivables” shall not include any expenditures (and related receivables) attributable to a third party working interest owner that is in a total net credit position on account with Seller with respect to the Assets (after taking into account the Assumed Credits of such third party working interest owner).

“Lease” means any existing oil and gas lease, oil, gas and mineral lease or sublease, and other leasehold interest, and the leasehold estates created thereby, including carried interests, rights of recoupment, options, reversionary interests, convertible interests and rights to reassignment.

“Legal Requirement” means any federal, state, provincial, local, municipal, tribal, foreign, international, multinational, or other administrative Order, constitution, law, ordinance, principle of common law, regulation, statute or treaty.

“Liability” means any and all claims, rights, demands, causes of action, liabilities (including civil fines), obligations, damages, losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys’ fees) in connection therewith.

“Material Adverse Effect” means any change, event or occurrence that individually or in the aggregate (taking into account all other such changes, events or occurrences) has had a material adverse change in or material adverse effect on the Assets taken as a whole, but excluding (a) any change or effect to the extent that it results from or arises out of (i) the execution and delivery of this Agreement or the announcement thereof or consummation of the transactions contemplated hereby; (ii) changes in (or proposals to change) Legal Requirements, generally accepted accounting principles or other accounting regulations or principles; (iii) acts of God, including hurricanes, storms and other natural disasters; or (iv) any action contemplated by this Agreement or taken at the request of Buyer; (b) any change or effect generally applicable to (i) the industries and markets in which Seller operates or (ii) economic or political conditions or the securities or financial markets in any country or region; (c) any outbreak or escalation of hostilities or war or any act of terrorism; (d) the departure of officers or directors of Seller after the Execution Date; (e) any objections in the Bankruptcy Court to (i) this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, (ii) the reorganization of Seller and any related plan of reorganization or disclosure statement, (iii) the Bidding Procedures or the Sale Motion, or (iv) the assumption or rejection of any Material Contract; (f) any action taken by Seller at the request of, or with the consent of, Buyer; and (g) any of the matters disclosed on any Exhibit, Schedule or Disclosure Schedule to this Agreement.

“Material Contracts” means, to the extent related to the Assets, the following: (a) any Contract that can reasonably be expected to result in aggregate payments by or revenues to Seller (and/or the Transferring Subsidiaries) or Buyer with respect to the Assets of more than Two Hundred Fifty Thousand Dollars (\$250,000) net to the interest of Seller (and/or the Transferring Subsidiaries) after the Effective Date; (b) Hydrocarbon purchase and sale, exchange, marketing, compression, gathering, transportation, processing, refining or similar Contracts (in each case) to which Seller (and/or any Transferring Subsidiary) is a party (or to which any portion of the Assets is subject) with respect to Hydrocarbon production from the Assets that is not terminable without penalty on sixty (60) days or less notice (including any Contract providing for volumetric or monetary commitments or indemnification therefor or for dedication of future production); (c) any Contract binding upon Seller (and/or the Transferring Subsidiaries) to sell, lease, farmout, or otherwise dispose of or encumber any interest in any of the Assets after the Effective Date, other than (i) conventional rights of reassignment arising in connection with Seller’s (and/or the Transferring Subsidiaries’) surrender or release of any of the Assets (except

where any such right of reassignment has already been triggered) or (ii) conventional rights of reassignment arising in connection with a payout, risk penalty, recoupment period or similar obligation where Seller's and the Transferring Subsidiaries' Net Revenue Interest after reassignment, or Seller's and the Transferring Subsidiaries' after-payout interest is reflected on **Exhibit D**; (d) any Contract that would, by its express terms, obligate Buyer to drill additional wells or conduct other material development operations after the Closing; (e) any Contracts that constitute a non-competition agreement or any agreement that purports to materially restrict, limit, or prohibit the manner in which, or the locations in which, Seller and/or the Transferring Subsidiaries conduct business, including areas of mutual interest; (f) any Contracts providing for any call upon, option to purchase, or similar rights with respect to the Assets or to the production therefrom or the processing thereof, or is a dedication of production or otherwise requires production to be transported, processed or sold in a particular fashion; (g) any Contract with any Affiliate of Seller; (h) any farmout agreement, exploration agreement, participation agreement, development agreement, unit operating agreement, joint operating agreement or similar Contract; (i) partnership agreements, joint venture agreements and similar agreements; and (j) operating agreements, unit agreements and unit operating agreements.

"Mineral Interests" means all mineral fee interests, mineral rights and mineral servitudes in which Seller or any Transferring Subsidiary owns an interest, including royalty interests, overriding royalty interests, nonparticipating royalties, net profits interests, production payments and other rights of a similar nature, whether legal or equitable, whether vested or contingent.

"Miscellaneous Corporate Property" has the meaning set forth in Section 2.1(b)(v).

"Net Revenue Interest" means, for any Well, Seller's and the Transferring Subsidiaries' aggregate share of the Hydrocarbons produced, saved and marketed therefrom (after satisfaction of all other royalties, overriding royalties, nonparticipating royalties, net profits interests, or other similar burdens on or measured by production of Hydrocarbons).

"Non-Disclosure Agreement" has the meaning set forth in Section 13.1.

"NORM" means naturally occurring radioactive materials.

"Operating Expenses" means all operating expenses (including costs of insurance) and all capital expenditures incurred in the ownership and operation of the Assets and any overhead costs charged by operators (other than Seller or any of its Affiliates) to the extent relating to the Assets, but excluding Liabilities attributable to (a) personal injury or death, property damage, or violation of any Law, (b) P&A Obligations, (c) curing any defect in title to an Asset or remediation of any Environmental Condition, (d) obligations with respect to Imbalances, (e) obligations to pay working interests, royalties, overriding royalties or other interest owners revenues or proceeds attributable to sales of Hydrocarbons relating to the Assets, including those held in suspense, (f) Taxes, and (g) the Bankruptcy Case.

"Order" means any award, writ, injunction, judgment, order or decree entered, issued, made, or rendered by any Governmental Authority.

“Outside Date” has the meaning set forth in Section 11.1(a)(iii).

“P&A Obligations” means the following to the extent required by Law, a Lease or an Assigned Contract: (a) plugging, replugging and abandonment of all Wells included in the Assets, (b) removal, abandonment, and disposal of all structures, pipelines, facilities, equipment, abandoned property and junk comprising part of the Assets, (c) capping and burying of all flow lines associated with the Wells comprising part of the Assets, and (d) restoration of the Assets, both surface and subsurface.

“Party” or “Parties” means, individually or collectively, Buyer and Seller.

“Party Affiliate” has the meaning set forth in Section 13.13.

“Patents” means United States and foreign patents and patent applications, as well as any continuations, continuations-in-part, divisions, extensions, reexaminations, reissues, renewals and patent disclosures related thereto.

“Paying Party” has the meaning set forth in Section 8.1(d).

“Permits” has the meaning set forth in Section 2.1(b)(vii).

“Permitted Encumbrance” means: (a) any materialman’s, mechanics’, repairman’s, contractors’, operators’, or other similar liens, security interests or charges for Operating Expenses arising after the Effective Date that are not delinquent; (b) any liens for Taxes that accrue after the Effective Date; (c) any easements, rights-of-way, servitudes, permits, licenses and other property rights with respect to surface operations that run with the Assets; (d) all royalties, overriding royalties, net profits interests, carried interests, reversionary interests and other burdens that are valid, properly recorded and run with the Assets (any Liabilities arising prior to the Closing Date from a failure to pay amounts attributable to such interests are not Permitted Encumbrances); (e) conventional rights of reassignment arising upon surrender or abandonment of any Asset; (f) rights reserved to or vested in any Governmental Authority to control or regulate any of the Properties and all applicable Laws and Orders of such Governmental Authorities; (g) the terms and conditions of all Assigned Contracts and Assigned Leases and Interests (except as otherwise expressly provided herein, including with respect to Excluded Liabilities and Claims and obligations arising under Assigned Contracts and Assigned Leases and Interests prior to the Closing Date); and (h) Imbalances.

“Person” means any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

“Petition Date” means September 16, 2015.

“Pollutants” has the meaning set forth in the definition of “Environmental Laws”.

“Post-Closing Covenant” has the meaning set forth in Section 12.1.

“Potential Bidders” has the meaning set forth in Section 7.6.

“Preferential Purchase Right” means any right or agreement that enables any Person to purchase or acquire any Asset or any interest therein or portion thereof as a result of or in connection with the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby.

“Preliminary Settlement Statement” means that certain statement provided by Seller to Buyer pursuant to Section 8.12, as amended (if applicable) by mutual agreement prior to Closing, setting forth those initial adjustments to the Base Purchase Price made at Closing.

“Proceeding” means any Action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority.

“Properties” has the meaning set forth in Section 2.1(b)(ii).

“Purchase Price” has the meaning set forth in Section 3.1.

“Records” has the meaning set forth in Section 2.1(b)(xi).

“Reimbursing Party” has the meaning set forth in Section 8.1(d).

“Representative” means, with respect to a particular Person, any director, officer, member, manager, partner, employee, agent, consultant, advisor, investor, shareholder, contractor, subcontractor or other representative of such Person, including legal counsel, accountants and financial advisors.

“Sale Motion” means the motion or motions, in form and substance reasonably satisfactory to Buyer, filed by Seller pursuant to, *inter alia*, Sections 105, 363 and 365 of the Bankruptcy Code seeking entry of the Bidding Procedures Order and the Sale Order and approval of the transactions contemplated by this Agreement.

“Sale Order” means an Order of the Bankruptcy Court, in form and substance approved by Buyer, in its reasonable discretion, pursuant to, *inter alia*, Sections 105, 363 and 365 of the Bankruptcy Code authorizing and approving, *inter alia*, the sale of the Assets to Buyer on the terms and conditions set forth herein, Free and Clear (except for Permitted Encumbrances and the Assumed Liabilities), and the assumption and assignment of the Assigned Contracts to Buyer, and (a) containing findings that (i) notice of the hearing concerning approval of this Agreement and of the transactions contemplated hereby was given in accordance with the Bankruptcy Code, and constitutes such notice as is appropriate under the particular circumstances, and (ii) Buyer has acted in “good faith” within the meaning of Section 363(m) of the Bankruptcy Code and is entitled to the protections afforded by Section 363(m) of the Bankruptcy Code, and (b) provides that the transactions contemplated hereby are not subject to avoidance pursuant to Section 363(n) of the Bankruptcy Code. A copy of the proposed sale order shall be delivered to Buyer as soon as reasonably possible, but in no event later than seventeen (17) days prior to the hearing on the Sale Motion, and the Sale Order is to be filed by Seller with the Bankruptcy Court no later than ten (10) days prior to the hearing on the Sale Motion.

“SEC” means the United States Securities and Exchange Commission.

“Seller” has the meaning set forth in the introductory paragraph.

“Seller Credit Obligations” has the meaning in Section 8.4(e).

“Seller Group” means Seller, its respective Affiliates and the former, current or future partners, co-owners, equity holders and Representatives of each of the foregoing.

“Seller Indemnified Parties” has the meaning set forth in Section 12.3(a).

“Seller Termination Notice” has the meaning set forth in Section 11.1(c)(i).

“Straddle Period” has the meaning set forth in Section 8.1(c).

“Subsidiary” means any entity with respect to which a specified Person (or a Subsidiary thereof) (a) has the power, through the ownership of securities or otherwise, to elect a majority of the directors or similar managing body or (b) owns directly or indirectly all of the outstanding equity interests therein.

“Successful Bidder” has the meaning set forth in the Bidding Procedures.

“Surface Rights” means all surface leases, subsurface leases, rights-of-way, licenses, easements and other surface or subsurface rights agreements applicable to, or used or held in connection with the ownership, operation, maintenance or repair of, or the production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from, the Properties, including those set forth in **Exhibit I**, together with all surface fee interests in the lands covered by the Assigned Leases and Interests.

“Suspense Funds” means proceeds of production (and associated statutory interest) in respect of any of the Assets that are payable to Third Parties and are being held in suspense by Seller as the operator of such Assets.

“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means any federal, state, provincial, local, foreign or other income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, intangibles, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, production, environmental (including taxes under Section 59A of the Code), natural resources, real property, personal property, ad valorem, intangibles, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers’ compensation, payroll, health care, withholding, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis, or in any other manner, including any taxes of any entity under Treasury Regulations Section 1.1502-6 (or any corresponding provisions of state, local or foreign Tax laws, including state or local consolidated or combined reporting provisions), or as a transferee or successor, by contract, or by operation of law, and any interest, fines, penalties, assessments

or additions to tax resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof.

“Tax Allocation” has the meaning set forth in Section 8.2.

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Third Party” means any Person other than a Party or an Affiliate of a Party.

“Trademarks” means United States, state and foreign trademarks, service marks, logos, slogans, trade dress and trade names, Internet domain names and any other similar designations of source of goods or services, whether registered or unregistered, and registrations and pending applications to register the foregoing, and all goodwill related to or symbolized by the foregoing.

“Transaction Documents” means this Agreement and any other agreements, instruments or documents entered into pursuant to this Agreement.

“Transfer Taxes” has the meaning set forth in Section 8.1(a).

“Transferred Employees” has the meaning set forth in Section 8.5(a).

“Transferring Subsidiaries” means Samson Lone Star, LLC and Geodyne Resources, Inc.

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988 and any similar Legal Requirement.

“Wells” has the meaning set forth in Section 2.1(b)(ii).

“Working Interest” means, for any Well, that share of costs and expenses associated with the exploration, maintenance, development and operation of such Well that Seller and the Transferring Subsidiaries, in the aggregate, are required to bear and pay.

1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Dollars. Any reference in this Agreement to \$ means United States dollars.

(iii) Exhibits/Schedules/Disclosure Schedules. All Exhibits, Schedules and Disclosure Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit, Schedule or Disclosure Schedule but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference in this Agreement to gender includes all genders, and words imparting the singular number only include the plural and vice versa.

(v) Headings. The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any "Section" or "Article" are to the corresponding Section or Article of this Agreement unless otherwise specified.

(vi) Herein. Words such as "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.

(vii) Including. The word "including" or any variation thereof means "including, without limitation," and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(viii) Statute. Unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder; *provided* that, for the purposes of the representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance with, any Legal Requirement, the reference to such Legal Requirement means such Legal Requirement as in effect at the time of such violation or non-compliance or alleged violation or non-compliance

(b) No Strict Construction. Buyer, on the one hand, and Seller, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Seller, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsman shall be applied against any Person with respect to this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Seller shall, and shall cause the Transferring Subsidiaries to, sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, to Buyer, and Buyer shall purchase from Seller and the Transferring Subsidiaries, the Assets Free and Clear (except for Permitted Encumbrances and the Assumed Liabilities).

(b) The “Assets” shall include all right, title and interest of Seller and the Transferring Subsidiaries in, to or under the following:

(i) all Leases, Mineral Interests and pooling orders (other than the Excluded Leases and Interests) described on Exhibit C attached hereto, and those Lease interests and Mineral Interests located in, under or that may be produced from or attributable to, as well as those pooling orders attributable to, (1) the lands covered by the Leases or Mineral Interests described on Exhibit C attached hereto, (2) the Leases and lands included in any units with which the Leases, the Mineral Interests or the lands covered thereby may have been pooled, unitized or communitized and (3) the Leases and lands included in any governmental drilling or spacing units associated with the Wells described on Exhibit D (collectively, the “Assigned Leases and Interests”);

(ii) all of the oil, gas, water, disposal, observation or injection wells located on or traversing the Assigned Leases and Interests, on lands pooled, unitized or communitized with any portion thereof, on lands located within any governmental drilling or spacing unit (if applicable) which includes any portion thereof, or on portions thereof associated with proved undeveloped reserves, whether producing, non-producing, plugged, unplugged, shut-in or temporarily abandoned, including those described on Exhibit D (collectively, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

(iii) all Hydrocarbons (1) in storage above a custody transfer point as of the Effective Date, but only to the extent Seller receives an upward adjustment to the Base Purchase Price pursuant to Section 8.11(a)(i), and (2) produced from or attributable to the Properties and not yet past a custody transfer point on the Effective Date or produced on and after the Effective Date, and all proceeds attributable thereto;

(iv) all equipment, machinery, fixtures and other tangible personal property and improvements located on, primarily used or held for use, or otherwise obtained in connection with the ownership or operation of the Properties, including tanks, boilers, plants, injection facilities, saltwater disposal facilities, compressors and other compression facilities (whether installed or not), pumping units, flow lines, pipelines, gathering systems, Hydrocarbon treating or processing systems or facilities, meters, machinery, pumps, motors, gauges, valves, power and other utility lines, roads, computer and automation equipment, telecommunications equipment, field radio telemetry and associated frequencies and licenses, pressure transmitters, central processing equipment and other appurtenances, improvements and

facilities, including the compressors and other items of equipment described in Schedule 2.1(b)(iv) (collectively, the “Equipment”);

(v) (i) all vehicles, trailers and rolling stock used or held for use in connection with the operation of the Properties (including all vehicles provided to Transferred Employees), including those described on Schedule 2.1(b)(v), and (ii) all office leases, field offices, storage yards, and data and software described on Schedule 2.1(b)(v) (collectively, the “Miscellaneous Corporate Property”);

(vi) all pipes, casing, tubing, tubulars, fittings, and other spare parts, supplies, tools, and materials located on, used or held for use on or held as inventory in connection with the ownership or operation of the Properties, Miscellaneous Corporate Property or Equipment, including those items described on Schedule 2.1(b)(vi);

(vii) to the extent transferable pursuant to applicable Legal Requirements, all governmental (whether federal, state, tribal or local) permits, licenses, authorizations, franchises, grants, easements, variances, exceptions, consents, certificates, approvals and related instruments or rights of any Governmental Authority or other Third Party, and any writ, judgment, decree, award, order, injunction or similar order, writ, ruling, directive or other requirement of any Governmental Authority (in each such case whether preliminary or final) required of Seller and the Transferring Subsidiaries for the ownership, operation or use of the Properties, Miscellaneous Corporate Property or Equipment (collectively, the “Permits”);

(viii) all Contracts described on Exhibit E attached hereto, in each case, insofar as they relate to any other Asset (collectively, the “Assigned Contracts”);

(ix) all Surface Rights;

(x) except with respect to the Excluded Assets and the Excluded Liabilities, all claims, refunds, abatement, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller and the Transferring Subsidiaries to the extent related to the Assets and arising or relating to events occurring from and after the Effective Date or related to the Assumed Liabilities;

(xi) (1) all information, books, databases, files, records and data (other than the Excluded Records), whether in written or electronic format, relating to any Asset or to any Assumed Liability, only to the extent relating to such Asset or Assumed Liability (collectively, the “Records”), which Records shall include all reservoir, land, operation and production files and records, inclusive of lease records, well records, division order records, property ownership reports and files, contract files and records, well files, title records (including abstracts of title, title opinions and memoranda, and title curative documents), correspondence, production records, prospect files and other prospect information, accounting records, gas balancing files, files related to cash settlement of Imbalances, payout status files, supplier lists and files, customer lists and files; and (2) all other data including proprietary and non-proprietary engineering, geological, geophysical and seismic data, files and records (but only to the extent transferable without material restriction (including a material restriction against assignment

without prior consent)), inclusive of maps, logs, core analysis, formation tests, cost estimates, studies, plans, prognoses, surveys and reports, and including raw data and any interpretive data or information relating to the foregoing, and any other proprietary data in the actual possession or control of Seller or any of the Transferring Subsidiaries or which Seller or any of the Transferring Subsidiaries has the right to obtain (either without the payment of money or delivery of other consideration or unduly burdensome effort or, upon Buyer's written election, at Buyer's expense) and relating to the ownership, operation, development, maintenance or repair of, or the production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from, the other Assets; *provided* that if any Records described in clause (2) can only be assigned to Buyer with a fee or penalty, Buyer shall bear responsibility for such fee or penalty if Buyer desires that such Records be assigned to Buyer;

(xii) all Known Receivables, cash call pre-payments and other refunds due to Seller and the Transferring Subsidiaries for royalty overpayments and/or future deductions as royalty offsets associated with any Asset as of the Closing Date, as more particularly described on Schedule 2.1(b)(xii);

(xiii) that certain intellectual property being more particularly described on Schedule 2.1(b)(xiii);

(xiv) all trade credits, accounts receivable, note receivables, take or pay amounts receivable, and other receivables attributable to the other Assets, with respect to any period of time on and after the Effective Date; and

(xv) the Elk City Office.

2.2 Excluded Assets.

Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the transaction contemplated hereby, the following (collectively, the "Excluded Assets"):

- (a) the Purchase Price delivered to Seller pursuant to this Agreement;
- (b) all cash and cash equivalents, including checks, commercial paper, treasury bills, certificates of deposit, bank accounts and other bank deposits as of the Closing Date, in each case, excluding the Suspense Funds and any item described in Schedule 2.2(b);
- (c) subject to Section 2.1(b)(iii), all Hydrocarbons produced from or attributable to the Properties prior to the Effective Date, including marketable Hydrocarbons produced from or attributable to the Properties in storage tanks as of the Effective Date (less tank bottoms), and Hydrocarbons above a custody transfer point on the Effective Date, and all proceeds attributable thereto;
- (d) any shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of Seller or any of Seller's Subsidiaries;

(e) all minute books, stock ledgers, corporate seals and stock certificates of Seller and the Transferring Subsidiaries;

(f) all Excluded Records;

(g) all Excluded Leases and Interests;

(h) all Excluded Contracts;

(i) all rights to any refunds of Taxes (or other related costs or expenses) attributable to the Assets prior to the Effective Date or to Seller's and/or the Transferring Subsidiaries' businesses generally;

(j) subject to Section 8.8(b), all insurance policies and rights to proceeds thereof;

(k) all Permits and pending applications therefor to the extent related to any other Excluded Asset or the Excluded Liabilities;

(l) all Intellectual Property;

(m) all prepayments, good faith and other bid deposits submitted by any Third Party under the terms of the Bidding Procedures Order;

(n) all claims, refunds, loss carry forwards, abatements, variances, allocations, causes of action, claims for relief, choses in action, rights of recovery, audit rights, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Seller or any Transferring Subsidiary, other than those constituting Assets;

(o) all rights, claims or causes of action by or in the right of Seller against any current or former director or officer of Seller;

(p) all Asset Taxes with respect to the Assets that are the responsibility of Seller pursuant to Section 8.1(b);

(q) all Benefit Plans and assets attributable thereto;

(r) the Avoidance Actions;

(s) any rights, claims or causes of action of Seller or any Transferring Subsidiary under this Agreement or any other Transaction Document; and

(t) the assets described in Schedule 2.2(t).

2.3 Assumed Liabilities.

Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall execute and deliver to Seller the Assumption Agreement in the form attached hereto as **Exhibit F** (the "Assumption Agreement") pursuant to which Buyer shall assume and

agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), the following Liabilities (collectively, the “Assumed Liabilities”):

(a) Assigned Contracts. All of Seller’s and the Transferring Subsidiaries’ Liabilities under the Assigned Contracts arising after the Closing Date.

(b) Properties. All of Seller’s and the Transferring Subsidiaries’ Liabilities under the Properties with respect to the Environmental Condition thereof and P&A Obligations, whether such Liabilities arise prior to, at or after the Closing Date.

(c) Cure Costs. Those Cure Costs incurred after the Effective Date to the extent such Cure Costs also qualify as Operating Expenses.

(d) Suspense Funds. All Suspense Funds, together with (i) any statutory interest and escheatment obligations related thereto arising after the Closing and (ii) statutory interest obligations related thereto arising prior to the Closing to the extent such statutory interest is included in the amount for which the Purchase Price is adjusted pursuant to Section 8.11(b)(ii).

(e) Buyer Taxes. All Asset Taxes with respect to the Assets, except Asset Taxes that are the responsibility of Seller pursuant to Section 8.1(b).

(f) Transfer Taxes. All Transfer Taxes.

(g) Transferred Employees. All Liabilities (excluding Liabilities under Benefit Plans) relating to Transferred Employees arising on or after the Closing Date or, with respect to Inactive Employees who become Transferred Employees, arising on or after the date on which they become Transferred Employees.

(h) Post-Effective Date Operating Expenses. Operating Expenses incurred after the Effective Date with respect to which the Purchase Price was not adjusted pursuant to Section 8.11.

(i) Other Assets. To the extent not already described in 2.3(a) through (i) above, all Liabilities arising from, related to or associated with the Assets, arising after the Closing Date.

The assumption by Buyer of the Assumed Liabilities shall not, in any way, enlarge the rights of any Third Parties relating thereto.

2.4 Excluded Liabilities.

Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Seller or any of the Transferring Subsidiaries, and Seller and the Transferring Subsidiaries shall be solely and exclusively liable with respect to all Liabilities of Seller and the Transferring Subsidiaries, other than the Assumed Liabilities (such Liabilities other than Assumed Liabilities, collectively, the “Excluded Liabilities”). For purposes of clarity, and

without limitation of the generality of the foregoing, the Excluded Liabilities shall include, without limitation, each of the following Liabilities of Seller or any of the Transferring Subsidiaries:

(a) all indebtedness for borrowed money of Seller and the Transferring Subsidiaries;

(b) all guarantees of Third Party obligations by Seller and the Transferring Subsidiaries and reimbursement obligations to guarantors of Seller's and the Transferring Subsidiaries' obligations or under letters of credit;

(c) all accrued expenses and accounts payables;

(d) any Liabilities relating to any Action made by a Governmental Authority for any Taxes that are the responsibility of Seller pursuant to Section 8.1(c) and any Action made by a Governmental Authority with respect to any liens on any of the Assets arising out of the nonpayment of any Taxes that are the responsibility of Seller pursuant to Section 8.1(c);

(e) those Actions and Proceedings set forth on Disclosure Schedule 5.14 and those Actions and Proceedings pending against Seller or any of the Transferring Subsidiaries as of the Closing Date;

(f) all Liabilities of Seller and the Transferring Subsidiaries to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;

(g) all Liabilities related to the Excluded Assets;

(h) obligations under any futures contracts, options on futures, swap agreements or forward sale agreements entered into by Seller or any Transferring Subsidiary;

(i) all Cure Costs other than those described in Section 2.3(c);

(j) all Liabilities with respect to Applicable Employees that do not become Transferred Employees;

(k) all Liabilities with respect to Applicable Employees that become Transferred Employees to the extent such Liabilities arise before the time at which such Applicable Employees become Transferred Employees;

(l) all Liabilities of Seller and its Affiliates under the WARN Act;

(m) all Liabilities arising under or in connection with any Benefit Plan;

(n) Liabilities incurred by Seller or any of its Affiliates for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby;

(o) Liabilities with respect to personal injury, illness or death attributable to the Assets to the extent such injury, illness or death arises from, results from or relates to events that occurred prior to the Closing;

(p) Liabilities resulting from negligence, gross negligence or willful misconduct of Seller or any of its Affiliates or any contractor of Seller or any of its Affiliates in connection with operations by Seller or any of its Affiliates of the Assets prior to the Closing;

(q) civil or administrative fines or penalties or criminal sanctions imposed on any Seller Indemnified Party arising out of or related to pre-Closing conduct;

(r) Liabilities with respect to Hazardous Substances and other substances related or attributable to the Assets that, prior to the Closing, were disposed of by Seller, any Transferring Subsidiary or its designee off-site of the Assets;

(s) amounts payable to any Affiliate of Seller with respect to the Assets for any period prior to the Closing;

(t) except with respect to Suspense Funds, the accounting for, failure to pay or the incorrect payment to or from any royalty owner, overriding royalty owner, working interest owner or other interest holder under the Leases and Lands (including any interest and penalties related thereto) and escheat obligations, in each case, (i) insofar as the same are attributable to Hydrocarbons produced from the Assets prior to the Closing, and (ii) excluding the Assumed Credits;

(u) all Liabilities related to escheatment of Suspense Funds prior to the Closing and all penalties and interests payable with respect to the Suspense Funds and any failure to escheat Suspense Funds as of the Closing; and

(v) unpaid Operating Expenses attributable to periods prior to the Effective Date that are not taken into account pursuant to Section 8.12 or Section 8.13.

2.5 Cure Costs.

As soon as practicable after the Closing, each Party shall pay, pursuant to Section 365 of the Bankruptcy Code and the Sale Order, its share (as determined under Section 2.3 and Section 2.4) of any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Assigned Contracts (the "Cure Costs") to which Seller or any Transferring Subsidiary is a party and which are included in the Assets. Schedule 2.5 sets forth the estimated amount of Cure Costs with respect to each of the Assigned Contracts as of the Effective Date.

2.6 Assignment of Assets Subject to Consent Requirements.

With respect to each consent set forth on Disclosure Schedule 5.20, Seller, not later than 10 days after the Execution Date (and, with respect to each consent that is not set forth on Disclosure Schedule 5.20 but is discovered by either Party after the Execution Date and before the Closing Date, not later than 10 days after the discovery thereof), shall send to the holder of each such consent a notice in material compliance with the contractual provisions

applicable to such consent seeking such holder's consent to the transactions contemplated hereby. If prior to the Closing Date any Third Party consent or approval to assignment applicable to the transactions contemplated hereby (other than governmental consents or approvals customarily obtained post-Closing) has not been obtained, waived or satisfied, and, further, failure to obtain such Third Party consent or approval may cause automatically or upon election of the party holding the right to consent either (i) the assignment of the Assets affected thereby to Buyer to be void, voidable or nullified, or (ii) the termination of a Lease, an Assigned Contract or other Asset (each such consent, a "Hard Consent"), the Assets affected by such Hard Consent shall, at Buyer's sole election, be held back from the Assets conveyed at Closing and the Base Purchase Price shall be reduced by the Allocated Value of the Assets so held back. Any Assets so held back at the Closing will be conveyed to Buyer within ten (10) Business Days after the Hard Consent applicable thereto has been obtained, waived or otherwise satisfied; *provided, however*, that Buyer shall not be obligated to accept any such conveyance of such Assets if such Hard Consent is not obtained within six (6) months after the Closing. At such subsequent closing, Seller shall contribute, assign, transfer and convey to Buyer, and Buyer shall acquire and accept from Seller, such Assets pursuant to the terms of this Agreement and shall pay the Allocated Value of such Assets to Seller (as adjusted pursuant to the terms of this Agreement). Except for Hard Consents, if any consents to the assignment of any Asset are not obtained prior to Closing, then with respect to each affected Asset, the affected Assets shall nevertheless be sold and conveyed to Buyer at the Closing and Buyer shall pay for the affected Asset(s) at Closing in accordance with this Agreement as though the consent had been obtained.

2.7 Further Assurances.

The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; *provided* that nothing in this Section 2.7 shall prohibit Seller from ceasing operations or winding up its affairs following the Closing.

ARTICLE 3

PURCHASE PRICE

3.1 Purchase Price.

The purchase price for the purchase, sale, assignment and conveyance of Seller's and the Transferring Subsidiaries' right, title and interest in, to and under the Assets shall consist of the following:

- (a) cash in an amount equal to \$131,065,300.00 (the "Base Purchase Price"); and
- (b) the assumption of the Assumed Liabilities.

Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Section 8.11 hereof (as adjusted, the “Purchase Price”). The cash components of the Purchase Price shall be delivered by Buyer as set forth in Section 4.2.

3.2 Deposit.

Within one (1) Business Day after the execution of this Agreement by the Parties, Buyer shall pay to JPMorgan Chase Bank, N.A. (“Escrow Agent”), pursuant to that certain escrow agreement by and among Seller, Buyer and Escrow Agent, a deposit in the amount of \$13,106,530.00 (the “Deposit”), such amount representing ten percent (10%) of the Base Purchase Price. At Closing, the Parties shall cause the Escrow Agent to release the Deposit to Seller, and the Deposit shall be credited against the amount required to be paid by Buyer to Seller at Closing. If this Agreement is terminated by Seller prior to Closing pursuant to Section 11.1(c)(i), or the conditions to the obligations of Buyer to consummate the Closing set forth in Article 9 shall have been satisfied by Seller or waived by Buyer, but Buyer shall have failed to perform its obligations under Section 4.3 for more than ten (10) Business Days after notice thereof by Seller, then the Parties shall cause the Escrow Agent to release the Deposit to Seller within two (2) Business Days of such termination, and such amount shall constitute liquidated damages (and not a penalty), as Seller’s sole and exclusive remedy, for such termination, free and clear of any claims thereon by Buyer. The provision for payment of the Deposit as liquidated damages in this Section 3.2 has been included because, in the event of a termination of this Agreement pursuant to which the Deposit is released to Seller, the actual damages to be incurred by Seller can reasonably be expected to approximate the amount of liquidated damages called for herein and because the actual amount of such damages would be difficult if not impossible to measure accurately. If this Agreement is terminated prior to Closing for any other reason, then the Parties shall cause the Escrow Agent to release the Deposit to Buyer within two (2) Business Days of such termination. It is understood that either Party may pursue specific performance under Section 13.15 prior to exercising its rights under Section 11.1 to terminate this Agreement.

ARTICLE 4

CLOSING

4.1 Closing Date.

Upon the terms and subject to the conditions hereof, the closing of the sale of the Assets and the assumption of the Assumed Liabilities contemplated hereby (the “Closing”) shall take place at the office of Seller at Samson Plaza, Two West Second Street, Tulsa, Oklahoma 74103 (or at such other location as the Parties may mutually agree), no later than the last to occur of (a) ten (10) Business Days following the date on which the conditions set forth in Article 9 and Article 10 have been satisfied or (if permissible) waived (other than the conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or (if permissible) waiver of such conditions) and (b) one (1) Business Day after the date on which the Sale Order becomes a Final Order. The date and time at which the Closing actually occurs is hereinafter referred to as the “Closing Date.”

4.2 Payment on the Closing Date.

Subject to satisfaction or (if permissible) waiver of the conditions set forth in Article 9 and Article 10, at the Closing, (a) Buyer shall pay (or cause to be paid) the cash components of the Purchase Price (less the Deposit and as adjusted pursuant to the terms of this Agreement) by wire transfer of immediately available funds to an account specified in writing by Seller prior to the Closing Date, and (b) as set forth in Section 3.2, the Parties shall cause the Escrow Agent to release the Deposit to Seller.

4.3 Buyer's Deliveries.

At the Closing, Buyer (and/or Buyer Operator, as applicable) shall deliver or cause to be delivered to Seller (or such other Persons where so designated):

(a) the cash consideration referenced in Section 3.1(a) to Seller in accordance with Section 4.2;

(b) the Assumption Agreement, duly executed by Buyer and Buyer Operator;

(c) a copy of Buyer's certificate of formation, certified as of a recent date by the Secretary of State of the State of Delaware;

(d) a copy of Buyer's limited liability company agreement as in effect on the Closing Date;

(e) a certificate of good standing of Buyer issued as of a recent date by the Secretary of State of the State of Delaware;

(f) a certificate of the corporate secretary of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, as to (i) there having been no amendments to the certificate of formation of Buyer since the date of the certified certificate of formation delivered pursuant to Section 4.3(c); (ii) Buyer's authorization to execute and perform its obligations under the Transaction Documents to which Buyer is a party; and (iii) incumbency and signatures of the officers of Buyer executing the Transaction Documents;

(g) each other Transaction Document to which Buyer (or Buyer Operator, as applicable) is a party, duly executed (and acknowledged, where applicable) by Buyer (or Buyer Operator, as applicable), including the Assignment (in sufficient counterparts to facilitate recording in the applicable counties where the Assets are located), the Deed, letters-in-lieu of transfer orders, change of operator forms to be prepared by Seller, change of operator notices required under applicable operating agreements, and any other applicable forms and declarations required by federal and state agencies relative to the assignment of the Assets to Buyer or Buyer Operator's assumption of operations and plugging and abandonment Liabilities with respect to all of the Assets;

(h) the certificates of Buyer to be received by Seller pursuant to Sections 10.1 and 10.3;

(i) a counterpart of the Preliminary Settlement Statement executed by Buyer;

(j) evidence (including evidence of satisfaction of all applicable bonding or insurance requirements) as Seller may reasonably request demonstrating that Buyer and/or Buyer Operator (as applicable) is qualified with the applicable Governmental Authorities and pursuant to any applicable operating agreement to succeed Seller as the owner and, where applicable, the operator of the Assets, all as described in Schedule 4.3(j);

(k) a Transition Services Agreement between Seller and Buyer in the form attached hereto as Exhibit J (the "Transition Services Agreement"), duly executed by Buyer and Buyer Operator; and

(l) such other assignments and other good and sufficient instruments of assumption and transfer, in form reasonably satisfactory to Seller, as Seller may reasonably request to transfer and assign the Assumed Liabilities to Buyer and/or Buyer Operator, as applicable.

4.4 Seller's Deliveries.

At the Closing, Seller shall deliver to Buyer:

(a) the Assignment (in sufficient counterparts to facilitate recording in the applicable counties where the Assets are located), the Deed, and each other Transaction Document to which Seller or any Transferring Subsidiary is a party (including letters-in-lieu of transfer orders and change of operator forms), duly executed (and acknowledged, where applicable) by Seller and the applicable Transferring Subsidiaries;

(b) the Assumption Agreement, duly executed by Seller;

(c) a certified copy of the Sale Order;

(d) the certificates of Seller to be received by Buyer pursuant to Sections 9.1 and 9.2;

(e) a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code §1445, stating that Seller is not a "foreign person" as defined therein;

(f) a counterpart of the Preliminary Settlement Statement executed by Seller;

(g) the Transition Services Agreement, duly executed by Seller;

(h) recordable releases (in sufficient counterparts to facilitate recording in the applicable counties where the Assets are located) in form reasonably acceptable to Buyer of any trust, mortgages, financing statements, fixture filings and security agreements, in each case, securing indebtedness for borrowed money made by Seller or any of its Affiliates affecting the Assets; and

(i) such other bills of sale, deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in form reasonably satisfactory to Buyer, as Buyer may reasonably request to vest in Buyer all the right, title and interest of Seller and the Transferring Subsidiaries in, to or under any or all the Assets.

4.5 Records.

No later than ten (10) Business Days following the Closing Date, Seller shall make available to Buyer the Records in their current form (including both digital form and physical form to the extent applicable) and format as maintained by Seller, for pickup from Seller's offices during normal business hours; provided that Seller may retain written or electronic copies of the Records.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants the following to Buyer:

5.1 Organization and Good Standing.

Seller, and each Transferring Subsidiary, is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller, and each Transferring Subsidiary, has the requisite corporate power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Seller, and each Transferring Subsidiary, is duly qualified or licensed to do business and is in good standing in the States of Oklahoma and Texas.

5.2 Authority; Validity; Governmental Authority Consents.

Seller, and each Transferring Subsidiary, has, subject to requisite Bankruptcy Court approval, the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which Seller, or such Transferring Subsidiary, is a party and to consummate the transactions contemplated hereby and thereby, and, subject to requisite Bankruptcy Court approval, the execution, delivery and performance of this Agreement and such other Transaction Documents by Seller and the Transferring Subsidiaries (as applicable) and the consummation by Seller or such Transferring Subsidiary of the transactions contemplated herein and therein have been duly and validly authorized by all requisite corporate action. This Agreement has been duly and validly executed and delivered by Seller and each other Transaction Document required to be executed and delivered by Seller and each Transferring Subsidiary at the Closing will be duly and validly executed and delivered by Seller or such Transferring Subsidiary at the Closing. Subject to requisite Bankruptcy Court approval, this Agreement and the other Transaction Documents constitute, with respect to Seller and where applicable, each Transferring Subsidiary, the legal, valid and binding obligations of Seller or such Transferring Subsidiary, enforceable against Seller or such Transferring Subsidiary in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such

principles are considered in a proceeding at law or in equity. Subject to requisite Bankruptcy Court approval, except for (a) entry of the Sale Order, (b) notices, filings and consents required in connection with the Bankruptcy Case, (c) any applicable notices, filing, consents or approvals under any applicable antitrust, competition or trade regulation Legal Requirements and (d) the notices, filings and consents set forth on Disclosure Schedule 5.2, neither Seller nor any Transferring Subsidiary is required to give any notice to, make any filing with or obtain any consent from any Governmental Authority in connection with the execution and delivery of this Agreement and the other Transaction Documents or the consummation or performance of any of the transactions contemplated hereby and thereby.

5.3 No Conflict.

When the consents and other actions described in Section 5.2, including requisite Bankruptcy Court approval, have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Seller or any Transferring Subsidiary under (a) any agreement, indenture, or other instrument to which Seller or such Transferring Subsidiary is bound, (b) the certificate of incorporation, bylaws or other governing documents of Seller or such Transferring Subsidiary, (c) any Order or (d) any Legal Requirement.

5.4 Material Contracts.

To Seller's Knowledge, (a) Disclosure Schedule 5.4 lists all Material Contracts in effect as of the Execution Date, to which Seller or a Transferring Subsidiary is a party or by which its interests in the Assets are bound, and (b) all Material Contracts are in full force and effect, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements relating to creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Except for the Bankruptcy Case, no default or breach (or event that, with notice or lapse of time, or both, would become a default or breach) of any such Material Contracts has occurred or is continuing on the part of Seller or any Transferring Subsidiary. Copies of each of the Material Contracts (including all material amendments) in the possession of Seller or any Transferring Subsidiary have been made available to Buyer for review.

5.5 Permits.

As of the Execution Date, (a) Seller or the applicable Transferring Subsidiary has obtained all material Permits that are required for its ownership and operation of the Assets, (b) neither Seller nor any Transferring Subsidiary has received written notice of default under any Permit, (c) no material violations exist in respect of any Permits, and (d) neither Seller nor any Transferring Subsidiary has received written notice of any material Proceeding that has been threatened or is pending that might result in the modification, revocation, termination or suspension of any Permit.

5.6 Wells; Plug and Abandon Notice.

As of the Execution Date, except as set forth on Disclosure Schedule 5.6A, (a) there are no Wells in respect of which Seller or any Transferring Subsidiary has received an order from any Governmental Authority requiring that such Wells be plugged and abandoned, and (b) there are no Wells or other equipment included in the Assets that (i) Seller or any Transferring Subsidiary is obligated by Legal Requirements or contract to plug, dismantle and/or abandon; or (ii) to Seller's Knowledge, with respect to work performed by Seller or any of its Affiliates, have been plugged, dismantled or abandoned in a manner that does not comply in all material respects with applicable Legal Requirements and contractual requirements. All Wells drilled by Seller or any of its Affiliates and, to Seller's Knowledge, all other Wells, have been drilled and completed within the limits permitted by all applicable Leases, contracts and pooling or unit agreements and by applicable Legal Requirements. Disclosure Schedule 5.6B sets forth the payout balances in all material respects as of the Effective Date for each Well operated by Seller or any of its Affiliates subject to payout and each Third Party-operated Well subject to payout for which Seller has received such payout information from the applicable operator.

5.7 Imbalances; Unsatisfied Throughput Obligations.

Disclosure Schedule 5.7 reflects (a) all Imbalances relating to the Assets operated by Seller or any of its Affiliates and, to Seller's Knowledge, all other Imbalances relating to the Assets, in each case (x) net to Seller's or the applicable Transferring Subsidiary's interest and (y) as of the date stated therein, including (i) aggregate Imbalances attributable to Seller's and/or the Transferring Subsidiaries' Net Revenue Interest in the Wells as of the Effective Date and (ii) pipeline Imbalances attributable to Seller and/or the Transferring Subsidiaries or their interest in the Assets, and (b) unsatisfied throughput obligations attributable to Seller and/or the Transferring Subsidiaries or their interest in the Assets as of the date stated therein.

5.8 AFEs.

Disclosure Schedule 5.8 contains a list, true and correct as of the date set forth therein, of all authorities for expenditures (collectively, "AFEs") for capital expenditures with respect to the Assets in excess of Two Hundred Fifty Thousand Dollars (\$250,000), net to Seller's or the applicable Transferring Subsidiary's interest, that have been proposed by Seller or any other Person having authority to do so (including internal AFEs of Seller or any Transferring Subsidiary not delivered to Third Parties) for which all or any part of the activities anticipated in such AFEs were not completed by the Effective Date.

5.9 Hedging.

There are no futures, options, swaps or other derivatives with respect to the sale of Hydrocarbons from the Assets that are or will be binding on Buyer or the Assets at any time after the Closing Date.

5.10 Preferential Purchase Rights.

To Seller's Knowledge, Disclosure Schedule 5.10 lists all Preferential Purchase Rights to which any Assets are subject, which would be triggered by this Agreement and to

which a notice would be required under the terms thereof due to the Parties entering into this Agreement.

5.11 Suspense Funds.

Disclosure Schedule 5.11 sets forth a list, true and correct as of the date set forth therein, of all Suspense Funds and the name or names of the parties to whom such funds are owed.

5.12 Intellectual Property.

To Seller's Knowledge, except as set forth on Schedule 2.1(b)(xii) or Disclosure Schedule 5.12, Seller owns no Intellectual Property related to or used in connection with the ownership or operation of the Assets that is material to the ownership or operation of any Asset.

5.13 Taxes.

Except as set forth on Disclosure Schedule 5.13, (i) all Tax Returns required to be filed by Seller and the Transferring Subsidiaries with respect to the Assets have been timely filed, and all such Tax Returns were true, correct and complete in all material respects, (ii) all Taxes shown to be due on such Tax Returns of or with respect to the Assets have been timely paid, (iii) there are no liens on any of the Assets that arose in connection with any failure (or alleged failure) to pay any Tax, (iv) there are no claims pending or threatened by any Governmental Authority in connection with any such Tax that would adversely affect the Assets after the Closing, (v) there are no Tax audits currently pending that would adversely affect the Assets after the Closing, (vi) the Assets have been properly listed on applicable property Tax rolls, and the Assets do not contain omitted property, (vii) no Asset is subject to any tax partnership agreement or provisions requiring a partnership income tax return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code or any similar state statute (excluding tax partnership agreements or provisions set forth in joint operating agreements that are binding upon Assets not operated by Seller or any of its Affiliates and with respect to which neither Seller nor any of its Subsidiaries has received a Schedule K-1), and in the case of any Asset subject to a tax partnership agreement, the tax partnership has an election in effect under Section 754 of the Code, and (viii) none of the Assets constitutes an equity interest in a corporation for federal income tax purposes.

5.14 Legal Proceedings.

Except for the Bankruptcy Case and any adversary Proceedings or contested motions commenced in connection therewith, or as set forth on Disclosure Schedule 5.14, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened against Seller or any Transferring Subsidiary that (a) seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby or (b) relates to the Assets.

5.15 Labor Matters.

With respect to the Applicable Employees, (a) there are no collective bargaining agreements or collective bargaining relationships to which Seller or any of its Subsidiaries is a party, (b) there is no pending or, to Seller's Knowledge, threatened, strike, slowdown, picketing or work stoppage, and no such dispute has occurred within the past five (5) years, (c) to Seller's

Knowledge, there is no pending application for certification of a collective bargaining agent filed with any Governmental Authority and no such filing is threatened and (d) to Seller's Knowledge, no union organizing activities are underway or threatened and no such activities have occurred in the past five (5) years.

5.16 Employee Benefits.

(a) Disclosure Schedule 5.16 contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by Seller or by any trade or business, whether or not incorporated, that together with Seller would be deemed a "single employer" within the meaning of Section 414 of the Code or Section 4001(b) of ERISA (an "ERISA Affiliate"), or under which Seller or any of its ERISA Affiliates has or may have any Liability, or with respect to which Buyer or any of its Affiliates would reasonably be expected to have any Liability, contingent or otherwise (each, a "Benefit Plan").

(b) Neither Seller nor its ERISA Affiliates have ever sponsored, maintained, contributed to or had any liability or obligation to contribute to (i) any "pension plan" within the meaning of Section 3(2) of ERISA that is subject to Section 412 of the Code or Title IV of ERISA, (ii) any "multiemployer plan" within the meaning of Section 3(37) or 4001(a)(3) of ERISA, (iii) any "multiple employer plan" within the meaning of Section 413 of the Code or Section 4063 or 4064 of ERISA, (iv) any "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA, or (v) any "welfare plan" within the meaning of Section 3(1) of ERISA which provides medical, health or other welfare-type benefits to any former employee, director or independent contractor of Seller or any ERISA Affiliate other than in accordance with COBRA or any similar state or local laws.

(c) There is no pending or, to Seller's Knowledge, threatened Action relating to a Benefit Plan (other than routine claims for benefits), and no Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Authority, and none of the assets of the Seller or any ERISA Affiliate is, or may reasonably be expected to become, the subject of any lien arising under Section 302 of ERISA or Section 412(a) of the Code.

5.17 No Take-or-Pay Obligations.

Except as set forth on Disclosure Schedule 5.17, neither Seller nor any Transferring Subsidiary is obligated by virtue of any take-or-pay payment, advance payment or other similar payment (other than gas balancing arrangements) to deliver Hydrocarbons, or

proceeds from the sale thereof, attributable to the Assets at some future time without receiving payment therefor at or after the time of delivery.

5.18 Payments.

Except as set forth on Disclosure Schedule 5.18, and excluding the Suspense Funds, all delay rentals, royalties, shut-in royalties, overriding royalties, compensatory royalties and other payments due with respect to the Properties, in each case, to the extent attributable to the period of time prior to the Execution Date, have been properly and fully paid.

5.19 Brokers or Finders.

Neither Seller nor any Person acting on behalf of Seller has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby for which Buyer is or will become liable.

5.20 Consents.

Except (a) as set forth in Disclosure Schedule 5.20, (b) for consents of Governmental Authorities customarily obtained after Closing, and (c) for any Preferential Purchase Rights applicable to the transactions contemplated by this Agreement, there are no restrictions to assignment, including requirements for consents from Third Parties to any assignment (in each case), that Seller or any Transferring Subsidiary is required to obtain in connection with the transfer of the Assets by Seller or any Transferring Subsidiary to Buyer or the consummation of the transactions contemplated by this Agreement by Seller or any Transferring Subsidiary (including Hard Consents).

5.21 No Violation of Laws.

Except as set forth in Disclosure Schedule 5.21, neither Seller nor any Transferring Subsidiary has received written notice that it is in violation of any applicable Laws (excluding Environmental Laws) in any material respect with respect to its ownership and operation of the Assets. The operation of that portion of the Assets for which Seller or any of its Affiliates serves as operator is in compliance with applicable Laws (excluding Environmental Laws) in all material respects. To Seller's Knowledge, as the operation of that portion of the Assets for which Seller or any of its Affiliates does not serve as operator is in compliance with applicable Law (excluding Environmental Laws) in all material respects.

5.22 Condemnation; Casualty Loss.

As of the Execution Date, neither Seller nor any Transferring Subsidiary has received any written notice of any pending or threatened taking and, to Seller's Knowledge, there is no actual taking (whether permanent, temporary, whole or partial) of any portion of the Assets by reason of condemnation or the threat of condemnation. No material unresolved Casualty Loss has occurred after the Effective Date and prior to the Execution Date.

5.23 Certain Lease Matters.

As of the Execution Date, neither Seller nor any Transferring Subsidiary has received written notice of any continuing or uncured material default on the part of Seller with respect to any Lease. There are no express unfulfilled drilling obligations under any of the Leases.

5.24 Seller Credit Obligations.

Disclosure Schedule 5.24 sets forth a list of all Seller Credit Obligations.

5.25 Equipment.

To Seller's Knowledge, no material items of Equipment have been removed from the Assets after the Effective Date. To Seller's Knowledge, all items of Equipment are in a state of reasonable repair (ordinary wear and tear excepted).

5.26 Environmental Matters.

To Seller's Knowledge, the Assets and Seller's and/or the Transferring Subsidiaries' operations with respect to the Assets have been and are in compliance with Environmental Laws in all material respects. Neither Seller nor any Transferring Subsidiary has received any written notice of any Proceeding related to any of the Assets under any Environmental Law. All reports, studies or other material documents previously requested by Buyer addressing the environmental condition of the Assets that are in Seller's or a Transferring Subsidiary's possession have been made available for Buyer's review.

5.27 Knowledge Qualifier for Non-Operated Assets.

To the extent that Seller has made any representations or warranties in this Article 5 in connection with matters relating to non-operated Assets, each and every such representation and warranty shall be deemed to be qualified by the phrase "To Seller's Knowledge".

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1 Organization and Good Standing.

Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has the requisite power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Buyer is duly qualified or licensed to do business in the State(s) where the Assets are located.

6.2 Authority; Validity; Consents.

Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party

and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated herein have been duly and validly authorized by all requisite limited liability company actions in respect thereof. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document required to be executed and delivered by Buyer at the Closing will be duly and validly executed and delivered by Buyer at the Closing. This Agreement and the other Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except in each case as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at law or in equity. Buyer is not or will not be required to give any notice to, make any filing with, or obtain any consent or approval from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a Party or the consummation or performance of any of the transactions contemplated hereby or thereby, except for such notices, filings, consents and approvals, the failure of which to provide, make or obtain, would not, individually or in the aggregate, affect Buyer's ability to perform its obligations under this Agreement or any other Transaction Documents or to consummate the transactions contemplated hereby or thereby and except for notices, filings, consents and approvals customarily made after Closing.

6.3 No Conflict.

When the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions provided for herein and therein will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Buyer under (a) any agreement, indenture or other instrument to which it is bound, (b) the certificate of formation or limited liability company agreement of Buyer, as applicable, (c) any Order or (d) any Legal Requirement, except where any such breach, default, conflict or acceleration would not, individually or in the aggregate, affect Buyer's ability to perform its obligations under this Agreement.

6.4 Availability of Funds.

As of the Closing, Buyer will have sufficient cash in immediately available funds (without giving effect to any unfunded financing, regardless of whether any such financing is committed) to pay the Purchase Price, all costs, fees and expenses to be paid by Buyer that are necessary to consummate the transactions contemplated by this Agreement and the other Transaction Documents, and assume the Assumed Liabilities. Buyer's ability to consummate the transaction contemplated hereby is not contingent upon its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing.

6.5 Litigation.

There are no Proceedings or Orders pending or, to the Knowledge of Buyer, threatened against Buyer, that seek to restrain or prohibit or otherwise challenge the

consummation, legality or validity of the transactions contemplated hereby or that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.6 Bankruptcy.

There are no bankruptcy, reorganization or arrangement Proceedings pending, being contemplated by, or to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates.

6.7 Brokers or Finders.

Neither Buyer nor any Person acting on behalf of Buyer has paid or become obligated to pay any fee or commission to any broker, finder, investment banker, agent or intermediary for or on account of the transactions contemplated by this Agreement for which Seller is or will become liable.

6.8 Knowledge and Experience.

Buyer (a) is engaged in the business of exploring for and producing Hydrocarbons as an ongoing business and (b) is purchasing the Assets for its own account for investment purposes and not with the intent to resell the Assets in violation of any federal or state securities laws. Buyer is an experienced and knowledgeable investor in oil and gas properties, is knowledgeable with respect to the tax ramifications associated therewith and herewith, has the financial and business expertise to fully evaluate the merits and risks of the transaction covered by this Agreement and has relied solely upon the basis of its own independent investigation of the Assets for all purposes (including the geologic and geophysical characteristics of the Assets, the estimated Hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto). In acquiring the Assets, Buyer is acting in the conduct of its own business and not under any specific contractual commitment to any Third Party, or any specific nominee agreement with any Third Party, to transfer to, or to hold title on behalf of, such Third Party, with respect to all or any part of the Assets. Buyer acknowledges that it has had the opportunity to seek the advice of persons it deemed appropriate concerning the consequences of the provisions of this Agreement and hereby waives any and all rights to claim that it is an unsophisticated investor in oil and gas properties.

6.9 Qualification to Assume Operatorship.

At Closing, Buyer will be qualified to own and, where applicable, Buyer Operator will be qualified to assume operatorship of the Assets in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated by this Agreement will not cause Buyer or Buyer Operator to be disqualified as such an owner or operator. To the extent required by the applicable state, tribal and federal Governmental Authorities, Buyer or Buyer Operator will have, as of the Closing, lease bonds, area-wide bonds or any other surety bonds or insurance policies as may be required by, and in accordance with, any Governmental Authorities with jurisdiction over the ownership or operation of such Assets or any operating agreement to the extent the same are described in Schedule 4.3(j) or Disclosure Schedule 5.24.

ARTICLE 7

ACTIONS PRIOR TO THE CLOSING DATE

7.1 Access and Reports.

(a) Subject to applicable Legal Requirements, upon receipt of written notice from Buyer of any such activities no less than two (2) Business Days in advance, Seller shall (and shall cause its Subsidiaries to) use commercially reasonable efforts to afford Buyer's officers and other authorized Representatives reasonable access, during normal business hours until the Closing Date, to the Assets and Seller's employees, customers, suppliers, properties, books, Contracts and Records, and, during such period, Seller shall use commercially reasonable efforts to furnish promptly to Buyer all information concerning the Assets as may reasonably be requested; *provided, however*, such access shall not interfere with Seller's ordinary conduct of business or the operation of the Assets, and at all times during such access, Buyer's authorized Representatives shall be accompanied by at least one (1) Representative of Seller unless Seller determines otherwise. All requests for information made pursuant to this Section 7.1 shall be submitted in accordance with Section 13.3. All such information shall be governed by the terms of the Non-Disclosure Agreement. No investigation pursuant to this Section 7.1 or by Buyer or its Representatives at any time prior to or following the Execution Date shall affect or be deemed to modify any representation or warranty made by Seller herein.

(b) This Section 7.1 shall not require Seller to permit any access to, or to disclose (i) any information that, in the reasonable, good faith judgment (after consultation with counsel, which may be in-house counsel) of Seller, is reasonably likely to result in any violation of any Legal Requirement or any Contract to which Seller is a party or cause any privilege (including attorney-client privilege) that Seller would be entitled to assert to be undermined with respect to such information and such undermining of such privilege could, in Seller's good faith judgment (after consultation with counsel, which may be in-house counsel), adversely affect in any material respect Seller's position in any pending or, what Seller believes in good faith (after consultation with counsel, which may be in-house counsel) could be, future litigation or (ii) if Seller, on the one hand, and Buyer or any of its Affiliates, on the other hand, are adverse parties in a litigation, any information that is reasonably pertinent thereto; *provided that*, in the case of clause (i), the Parties shall cooperate in seeking to find a way to allow disclosure of such information to the extent doing so (1) would not (in the good faith belief of Seller (after consultation with counsel, which may be in-house counsel)) be reasonably likely to result in the violation of any such Legal Requirement or Contract or be reasonably likely to cause such privilege to be undermined with respect to such information or (2) could reasonably (in the good faith belief of Seller (after consultation with counsel, which may be in-house counsel)) be managed through the use of customary "clean-room" arrangements pursuant to which non-employee Representatives of Buyer could be provided access to such information; *provided, that*, notwithstanding the foregoing, the disclosure of title opinions shall not be restricted pursuant to this Section 7.1.

(c) The information provided pursuant to this Section 7.1 shall be used solely for the purpose of the transaction contemplated by this Agreement, and such information shall be

kept confidential by Buyer in accordance with, and Buyer shall otherwise abide by and be subject to the terms and conditions of, the Non-Disclosure Agreement.

(d) BUYER SHALL DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS EACH SELLER PARTY FROM AND AGAINST ANY AND ALL LIABILITIES THAT ANY BUYER PARTY MAY ASSERT AGAINST ANY SELLER PARTY, BASED UPON INJURY TO PERSON, INCLUDING DEATH, OR TO PROPERTY, ARISING IN ANY MANNER WHATSOEVER FROM ANY INSPECTION BY ANY BUYER PARTY OF THE ASSETS PRIOR TO THE CLOSING DATE, **WHETHER OR NOT BASED UPON STRICT LIABILITY OR CAUSED BY THE SOLE OR CONCURRENT NEGLIGENCE (WHETHER ACTIVE OR PASSIVE) OF ANY SELLER PARTY, EXCEPT TO THE EXTENT SUCH INJURY WAS OCCASIONED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SELLER PARTY.**

7.2 Operations Prior to the Closing Date.

Seller covenants and agrees that, except (x) as expressly contemplated by this Agreement, (w) as disclosed in Schedule 7.2, (y) with the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), and (z) as otherwise required by Legal Requirements, after the Execution Date and prior to the Closing Date:

(a) Seller shall:

(i) use commercially reasonable efforts, taking into account Seller's status as debtor in possession, to maintain and operate the Assets operated by Seller as a reasonably prudent operator or cause such Assets to be operated as a reasonably prudent operator in the ordinary course of business;

(ii) pay or cause to be paid all bonuses and rentals, royalties, overriding royalties, shut-in royalties, and minimum royalties and development and operating expenses, and other payments incurred with respect to the Assets operated by Seller except (A) royalties held in suspense as a result of title issues and that do not give any Third Party a right to cancel an interest in any Assets operated by Seller, and (B) expenses or royalties being contested in good faith, unless the nonpayment of such contested expenses or royalties could result in the termination of an Assigned Lease and Interest, in which case Seller will notify Buyer and obtain Buyer's approval prior to withholding such payment;

(iii) maintain books, accounts and records relating to the Assets in accordance with past custom and practice;

(iv) maintain the personal property comprising part of the Assets operated by Seller in at least as good a condition as it is on the date hereof, subject to ordinary wear and tear;

(v) use commercially reasonable efforts, taking into account Seller's status as debtor in possession, to retain Seller's Applicable Employees who are in good standing and are necessary to operate the Assets as they are currently being operated; and

(vi) maintain insurance coverage on the Assets in the amounts and types currently in force.

(b) Seller shall not:

(i) abandon any Asset (except any abandonment of Leases to the extent any such Leases terminate pursuant to their terms);

(ii) commence, propose, or agree to participate in any single operation with respect to the Wells or Assigned Leases and Interests with an anticipated cost in excess of Two Hundred Fifty Thousand Dollars (\$250,000) net to the interest of Seller and the Transferring Subsidiaries, except for emergency operations taken in the face of risk to life, injury, property or the environment, operations scheduled under the AFEs set forth in Disclosure Schedule 5.8, or operations required by any Governmental Authority (including with respect to plugging and abandonment obligations);

(iii) terminate, cancel, or materially amend or modify any Assigned Contract or Assigned Lease and Interest;

(iv) sell, lease, encumber, or otherwise dispose of all or any portion of any Assets, except sales of Hydrocarbons in the ordinary course of business;

(v) grant to any Applicable Employee any increase in compensation except in the ordinary course of Seller's business and consistent with past practice;

(vi) enter into a Contract that would constitute a Material Contract;

(vii) relinquish voluntarily its position as operator with respect to any Asset;

(viii) waive, compromise or settle any material right or claim with respect to any of the Assets; or

(ix) enter into any agreement or commitment to take any action prohibited by this Section 7.2(b).

7.3 Commercially Reasonable Efforts.

(a) Seller, on the one hand, and Buyer, on the other hand, shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including using commercially reasonable efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions precedent set forth in Article 9 and Article 10 to be satisfied, (ii) the obtaining, at the earliest practicable date, of all necessary Governmental Authorizations and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with

Governmental Authorities, if any) and the taking of all reasonable steps as may be necessary to avoid any Proceeding by any Governmental Authority, and (iii) the execution or delivery of any additional instruments necessary to consummate the transactions contemplated hereby and to fully carry out the purposes of this Agreement. Additionally, with regard to each Well operated by a party other than Seller, Buyer shall, as soon as reasonably practicable after the Closing Date, deliver to the applicable operator of such Well a copy of the recorded Assignment evidencing the conveyance of Seller's interest in such Well to Buyer, as well as any other documentation reasonably requested by such operator to evidence such conveyance.

(b) Seller shall, as soon as reasonably practicable, but in no event later than the second (2nd) Business Day after the Execution Date, file the Bidding Procedures Motion and seek approval of the Bidding Procedures Order in good faith, using commercially reasonable efforts.

(c) Seller, on the one hand, and Buyer, on the other hand, (i) shall promptly inform each other of any communication from any Governmental Authority concerning this Agreement, the transactions contemplated hereby, and any filing, notification or request for approval and (ii) shall permit the other to review in advance any proposed written or material oral communication or information submitted to any such Governmental Authority in response thereto. In addition, neither of Parties shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to this Agreement or the transactions contemplated hereby, unless such Party consults with the other Party in advance and, to the extent permitted by any such Governmental Authority, gives the other Party the opportunity to attend and participate thereat, in each case to the maximum extent practicable. Subject to any restrictions under applicable Legal Requirements, each of Buyer, on the one hand, and Seller, on the other hand, shall furnish the other with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and its respective Representatives on the one hand, and the Governmental Authority or members of its staff on the other hand, with respect to this Agreement, the transactions contemplated hereby (excluding documents and communications which are subject to preexisting non-disclosure agreements or to the attorney-client privilege or work product doctrine) or any such filing, notification or request for approval. Each Party shall also furnish the other Party with such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registration or submissions of information to the Governmental Authority in connection with this Agreement, the transactions contemplated hereby and any such filing, notification or request for approval.

7.4 Bankruptcy Court Approval.

(a) Seller and Buyer acknowledge that this Agreement and the sale of the Assets and the assumption and assignment of the Assigned Contracts are subject to Bankruptcy Court approval. Seller and Buyer acknowledge that (i) to obtain such approval, Seller must demonstrate that it has taken reasonable steps to obtain the highest and otherwise best offer possible for the Assets, and that such demonstration shall include giving notice of the transaction contemplated by this Agreement to creditors and other interested parties as ordered by the Bankruptcy Court, and, if necessary, conducting the Auction, (ii) Buyer must use

commercially reasonable efforts to provide adequate assurance of future performance as required under the Bankruptcy Code with respect to each Assigned Contract, and (iii) to the extent such adequate assurance of future performance is not provided with respect to an Assigned Contract, then such Assigned Contract will be excluded from the Assets and included in the Excluded Assets. The Assigned Leases and Interests and Surface Interests are to be transferred to Buyer as part of the sale of the Assets. To the extent any Assigned Lease and Interest or Surface Interest constitutes an executory contract or unexpired lease of real property under Section 365 of the Bankruptcy Code, such Assigned Lease and Interest or Surface Interest shall be assumed by Seller and assigned by Seller to Buyer pursuant to Section 365 of the Bankruptcy Code.

(b) In the event an appeal is taken or a stay pending appeal is requested, from either the Bidding Procedures Order or the Sale Order, Seller shall promptly notify Buyer of such appeal or stay request and shall provide to Buyer promptly a copy of the related notice of appeal or Order of stay. Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from either of such Orders.

(c) From and after the Execution Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.1, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Bidding Procedures Order or this Agreement. If Buyer is the Successful Bidder at the Auction, Seller shall not take any action which is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order or this Agreement.

7.5 Updates and Amendments of Exhibits, Schedules and Disclosure Schedules.

(a) Until the Auction (if any), Seller shall have the right, with Buyer's consent (which may be withheld in Buyer's sole discretion), to amend, modify and/or supplement Exhibit C, Exhibit E, Schedule 2.2(g) and Schedule 2.2(h), in each case, as applicable, in order to reflect (i) any new Contracts or Leases taken by Seller or (ii) the deletion of any Contracts or Leases from any such Exhibit or Schedule.

(b) Until the Auction (if any), Seller shall have the right (but not the obligation) to amend, modify and/or supplement its Disclosure Schedules with respect to any matters discovered or occurring subsequent to the Execution Date and such amendments, modifications and/or supplements shall be deemed to have been included in Seller's representations and warranties for all purposes other than Section 9.1.

(c) In the event that, after the Auction and prior to the date that is 180 days after the Closing Date, Buyer discovers any Contract that has not been rejected and should have been included in the Assets and that was not specifically included in the Excluded Assets, Buyer shall notify Seller thereof and the Parties shall use commercially reasonable efforts to have such Contracts assumed by Seller and assigned to Buyer consistent with the terms of this Agreement.

(d) In the event that, after the Auction and prior to the date that is 180 days after the Closing Date, either Party discovers any Mineral Interest owned by a Transferring Subsidiary in any county in which an Assigned Lease and Interest is located that was not conveyed to Buyer, such Party shall notify the other Party thereof and the Parties shall use commercially reasonable efforts to have such Mineral Interest assigned to Buyer consistent with the terms of this Agreement.

7.6 Bidding Procedures.

The bidding procedures to be employed with respect to this Agreement shall be those reflected in the Bidding Procedures Order. Buyer agrees and acknowledges that Seller and its Representatives and Affiliates are and may continue soliciting inquiries, proposals or offers from Third Parties (the "Potential Bidders") for the Assets in connection with any alternative transaction pursuant to the terms of the Bidding Procedures Order.

7.7 Access to Buyer Documentation.

On or before five (5) Business Days prior to the Auction, Buyer shall have delivered to Seller true and complete, fully-executed copies of (i) Buyer's certificate of formation and limited liability company agreement, and (ii) any agreements with a third Person relating to, directly or indirectly, the Auction and/or Buyer's (or Buyer's Representatives') participation therein. All such information obtained or reviewed by Seller shall be maintained confidential by Seller and shall be governed by the terms of the Non-Disclosure Agreement.

ARTICLE 8

ADDITIONAL AGREEMENTS

8.1 Taxes.

(a) Any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement ("Transfer Taxes") shall be borne by Buyer. The Parties shall cooperate in demonstrating that the requirements for an exemption for such Transfer Taxes, if any, have been satisfied. If transactions contemplated by this Agreement are exempt from any such Transfer Taxes upon the filing of an appropriate certificate or other evidence of exemption, Buyer will timely furnish to Seller such certificate or evidence of exemption as permitted by applicable Law. Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation; provided, that, in the event that Buyer is not permitted to file the Tax Return for sales and/or transfer taxes included in the Transfer Taxes that are payable to the Oklahoma Tax Commission, Buyer will, at its own expense, prepare such Tax Return, Buyer will be responsible for all Transfer Taxes payable pursuant to such Tax Return, and Seller shall file such Tax Return with the Oklahoma Tax Commission.

(b) From the Effective Date through the Closing Date, Seller shall be responsible for filing with the appropriate Tax authorities the applicable Tax Returns for Asset

Taxes which are required to be filed on or before the Closing Date and remitting the Taxes reflected on such Tax Returns as due and owing. Seller will cause such Tax Returns to be timely filed consistently with past practice except as otherwise required by applicable Law and will provide a copy to Buyer. Seller shall not file any material Tax election with respect to the Assets without Buyer's consent. Buyer shall be responsible for the filing with the appropriate Tax authorities the applicable Tax Returns for Asset Taxes that are required to be filed after the Closing Date and remitting the Taxes reflected on such Tax Returns as due and owing.

(c) Buyer and Seller shall each be responsible for their own income or franchise Taxes. Seller shall be responsible for, and shall bear and pay, all ad valorem, property, excise, severance, production or similar Taxes based upon operation or ownership of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom (but excluding, for the avoidance of doubt, income taxes, franchise taxes and Transfer Taxes) (collectively, the "Asset Taxes") assessed with respect to the Assets for (i) any period ending on or prior to the Effective Date and (ii) the portion of any Straddle Period ending on or prior to the Effective Date. For purposes of allocation between the Parties of Asset Taxes assessed with respect to the Assets that are payable with respect to any tax periods beginning before and ending after the Effective Date ("Straddle Periods"), the portion of any such taxes that are attributable to the portion of the Straddle Period that ends on or prior to the Effective Date shall (1) in the case of such Asset Taxes that are based upon quantity of or the value of production of Hydrocarbons, be allocated based on the number of units or value of production actually produced, as applicable, on or before the Effective Date (which shall be Seller's responsibility) and from and after the Effective Date (which shall be Buyer's responsibility); and (2) in the case of other Asset Taxes, be allocated pro rata per day between the period on or prior to the Effective Date (which shall be Seller's responsibility) and the period after the Effective Date (which shall be Buyer's responsibility). At the Closing, Asset Taxes with respect to each Asset for the applicable Straddle Period shall be prorated in accordance with the foregoing provisions based on the Asset Tax assessment for such Asset for such Straddle Period, if available, or if otherwise, based on the Asset Taxes paid with respect to such Asset during the preceding Tax period. Such proration shall be subject to adjustment pursuant to Section 8.13. With respect to any not yet delinquent Asset Taxes relating to a Tax year ending after the Closing Date, Buyer will remit the actual payment of all such Asset Taxes to the applicable Governmental Authority.

(d) Seller, on the one hand, or Buyer, on the other hand, as the case may be (the "Reimbursing Party"), shall provide reimbursement for any Tax paid by the other Party (the "Paying Party"), all or a portion of which is the responsibility of the Reimbursing Party, or which represents an overpayment for Taxes by the Paying Party, in accordance with the terms of this Section 8.1 (which such reimbursement may apply as a Purchase Price adjustment pursuant to Section 8.11(a)(ii) or Section 8.11(b)(iii), as applicable). Within a reasonable time prior to the payment of any such Tax, the Paying Party shall give notice to the Reimbursing Party of the Tax payable and the Paying Party's and Reimbursing Party's respective Liability therefor, although failure to do so will not relieve the Reimbursing Party from its Liability hereunder except to the extent the Reimbursing Party is prejudiced thereby. Any amounts which may become payable from Seller to Buyer pursuant to this Section 8.1 shall constitute a super priority administrative expense of Seller under Section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

(e) Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims or Proceeding relating to any Tax, and the claiming by Buyer of any federal, state or local business tax credits or incentives that Buyer may qualify for in any of the jurisdictions in which any of the Assets are located; *provided, however*, that neither Buyer nor Seller shall be required to disclose the contents of its income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 8.1(e) shall be borne by the Party requesting it.

8.2 Allocation of Purchase Price.

The Purchase Price (and all other capitalized costs) shall be allocated among the Assets as set forth on Schedule 8.2, which shall be in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate). The allocation to each Asset is referred to herein as the “Allocated Value” of such Asset, and the general allocation of value described in this Section 8.2 is referred to herein as the “Tax Allocation”. Seller and Buyer agree to be bound by the Allocated Values set forth in Schedule 8.2 for purposes of this Agreement. Seller and Buyer each agree to report, and to cause their respective Affiliates to report, the federal, state, and local income and other Tax consequences of the transactions contemplated herein, and in particular to report the information required by Code §1060(b), and to jointly prepare Form 8594 (Asset Acquisition Statement under Code §1060) in a manner consistent with the Tax Allocation, as may be revised, to take into account subsequent adjustments to the Purchase Price, including any adjustments pursuant to the Agreement to determine the Purchase Price, and shall not take any position inconsistent therewith upon examination of any Tax Return, in any refund claim, in any litigation, investigation, or otherwise, unless required to do so by any Legal Requirement after notice to and discussions with the other Party, or with such other Party’s prior consent; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Buyer nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation; *provided, further*, that Buyer shall not be obligated to provide notice to or discuss or obtain Seller’s consent if Seller has been liquidated. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 8.2 shall survive the Closing without limitation.

8.3 Bulk Sales.

Buyer and Seller hereby waive compliance with all “bulk sales,” “bulk transfer” and similar laws that may otherwise be applicable with respect to the sale and transfer of any or all of the Assets to Buyer.

8.4 Assigned Contracts; Adequate Assurance and Performance.

(a) Seller shall provide timely and proper written notice of the Sale Motion and of the assumption and assignment of the Assigned Contracts to all parties to such Assigned Contracts. With respect to each Assigned Contract, Buyer shall, with Seller’s

cooperation, use commercially reasonable efforts to provide adequate assurance as required under the Bankruptcy Code of the future performance by Buyer of each such Assigned Contract. Buyer and Seller agree that they will promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assigned Contracts, such as furnishing timely requested and factually accurate affidavits and other documents or information for filing with the Bankruptcy Court and making Buyer's and Seller's employees and Representatives available to testify before the Bankruptcy Court. Notwithstanding the foregoing, Seller shall have no obligation under this Agreement (including, for the avoidance of doubt, pursuant to Section 7.3 or this Section 8.4(a)) to provide any assistance with respect to the preparation of any financial information.

(b) Subject to the approval of the Bankruptcy Court by Final Order, the Assigned Contracts will be assumed by Seller and assigned to Buyer on the Closing Date (or thereafter pursuant to Section 7.5) in accordance with Section 365 of the Bankruptcy Code. Only those Contracts set forth in Exhibit C (as the same may be amended in accordance with Section 7.5) shall be considered Assigned Contracts. Notwithstanding anything in this Agreement to the contrary, a Contract that is validly rejected or otherwise not assumed and assigned to Buyer pursuant to this Section 8.4(b) shall constitute an Excluded Contract.

(c) Seller agrees that it shall not reject any Assigned Contract without the prior written consent of Buyer.

(d) From and after the Closing, Buyer shall pay, perform or satisfy the Assumed Liabilities from time to time and as such Assumed Liabilities become due and payable or are required to be performed or satisfied in accordance with their respective terms.

(e) Without limiting the provisions of Section 8.4(a), Buyer acknowledges that Seller has no duty to maintain any bonds, letters of credit, guarantees, cash deposits and insurance to secure performance or payment under any Assigned Contracts or Assigned Leases and Interests (collectively, "Seller Credit Obligations") after the Closing, and Buyer agrees to reasonably cooperate with Seller in Seller's efforts to secure the release of any Seller Credit Obligations posted by Seller, such cooperation to include, if necessary, the provision by Buyer of a guaranty or letter of credit to secure Buyer's payment and/or performance under any Assigned Contracts or Assigned Leases and Interests after the Closing. On or before the Closing, Buyer shall obtain, or cause to be obtained in the name of Buyer, replacements for all Seller Credit Obligations.

8.5 Employee and Employee Benefit Matters.

(a) Transferred Employees. Within five (5) Business Days following the Execution Date, Seller shall provide the following information to Buyer with respect to each Applicable Employee: (i) date of hire, and (ii) base salary or hourly wage rate, as applicable. No later than five (5) Business Days prior to the Closing Date, Buyer or Buyer Operator may, but shall not be obligated to, offer employment to any of the Applicable Employees who are active (*i.e.*, not out on short or long term disability or workers compensation or for any other reason other than normal vacation absences) as of Closing, effective as of but conditioned upon the occurrence of the Closing, on such terms and conditions as Buyer or Buyer Operator may, in

their sole discretion, determine. Those Applicable Employees who accept Buyer's offer of employment made pursuant to this Section 8.5(a) and commence working for Buyer on the Closing Date are referred to herein as "Transferred Employees." Each Applicable Employee who is not an active employee as of the Closing Date (each an "Inactive Employee") shall remain Seller's (or its applicable Subsidiary's) responsibility until such time (if ever) as such Inactive Employee commences employment with Buyer. When an Inactive Employee is able to return to active status in accordance with Seller's leave policies, and *provided* that such return occurs within six (6) months of the Closing Date, or at such later date as required by applicable Legal Requirements, Buyer or Buyer Operator may, but shall not be obligated to, make an offer of employment to such individual in accordance with such Legal Requirements and this Section 8.5(a), and, *provided* that such individual accepts Buyer's or Buyer Operator's offer of employment, such individual will be considered a Transferred Employee as of the effective date of such individual employment with Buyer or Buyer Operator.

(b) Seller shall be solely responsible, and Buyer shall have no obligations whatsoever for, any compensation or other amounts payable to any current or former employee, officer, director, independent contractor or consultant of Seller, including hourly pay, commission, bonus, salary, fringe, pension or profit sharing benefits or severance pay for any period relating to the service with Seller or any Affiliate of Seller at any time. Seller shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health, accident or disability benefits brought by or in respect of current or former employees, officers, directors, independent contractors or consultants of Seller or the spouses, dependents or beneficiaries thereof under the Benefit Plans. Seller also shall remain solely responsible for all worker's compensation claims of any current or former employees, officers, directors, independent contractors or consultants of Seller that relate to events occurring during service with Seller or any Affiliates of Seller. Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

(c) Buyer is not assuming, and shall not have any responsibility whatsoever for the continuation of, or any liabilities or obligations under or in connection with, any Benefit Plan. Buyer is not and shall not be deemed to be a successor employer to Seller in respect of any Benefit Plan, and no plan adopted or maintained by Buyer after the Closing Date is or shall be deemed to be a "successor plan" as such term is defined in Section 4021(a) of ERISA, of any Benefit Plan.

(d) Seller acknowledges and agrees that Seller shall be solely liable, and that Buyer shall have no obligation or liability, for providing continuation coverage under and complying with Section 4980B of the Code, Sections 601 through 608 of ERISA, and any state health care continuation coverage laws with respect to any individual who either prior to, on or after the Closing Date was covered under any group health plan contributed to or maintained by Seller or its ERISA Affiliate, or who will otherwise be an "M&A Qualified Beneficiary" (as such phrase is defined in Section 54.4980B-9, Q&A 4 of the Treasury Regulations) in connection with the transaction contemplated by this Agreement. Seller agrees to provide continuing health benefit coverage as described in Section 4980B of the Code and Sections 601 through 608 of ERISA ("COBRA Coverage") to all employees who are M&A Qualified Beneficiaries with respect to the transactions contemplated in this Agreement ("COBRA Beneficiaries"). Specifically, Seller agrees that all obligations to provide COBRA Coverage to COBRA

Beneficiaries are being allocated to and shall remain with Seller, as permitted by Q&A 7 of the Treasury Regulation Section 54.4980B-9.

8.6 Post-Closing Books and Records and Personnel.

For five (5) years after the Closing Date, (a) Buyer shall not dispose of or destroy any of the Records received by Buyer as Assets and (b) Buyer shall allow Seller (including, for clarity, any trust established under a chapter 11 plan of Seller or any other successors of Seller) and any of its directors, officers, employees, counsel, representatives, accountants and auditors reasonable access during normal business hours, at Seller's or accessing party's sole expense and upon reasonable advance notice, to any Records included in the Assets for purposes relating to the Bankruptcy Case, the wind-down of the operations of Seller, the functions of any such trusts or successors, or other reasonable business purposes, and Seller (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall have the right to make copies of any such Records. Until the closing of the Bankruptcy Case or the liquidation and winding up of Seller's estate, Seller shall preserve and keep the Records and, at Buyer's sole expense, shall make such Records and Seller's personnel available to Buyer as may be reasonably required by Buyer in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Buyer or any of its Affiliates or in order to enable Buyer to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any such Records during which they must be maintained pursuant to this Section 8.6, such Party shall first give ninety (90) days prior written notice to the other Party and such other Party shall have the right at their option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such Records or records, to take possession of the Records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit.

8.7 No Other Representations or Warranties; Disclaimers; NORM.

(a) **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE TRANSACTION DOCUMENTS, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY RESPECTIVE AFFILIATE OR REPRESENTATIVE OF SELLER OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, SELLER'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER). SELLER FURTHER MAKES NO REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS OR DATA HERETOFORE OR HEREAFTER FURNISHED IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS, OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS. ANY AND ALL SUCH FILES, RECORDS AND DATA FURNISHED BY SELLER IS PROVIDED AS A CONVENIENCE, AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT**

AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THE TRANSACTION DOCUMENTS, SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS AS TO ALL MATTERS," (C) FREEDOM FROM HIDDEN OR REDHIBITORY DEFECTS OR VICES, (D) ANY INFRINGEMENT BY SELLER OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (E) ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYER BY OR ON BEHALF OF SELLER (INCLUDING WITHOUT LIMITATION, IN RESPECT OF ANY SEISMIC DATA, THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE RECOVERABILITY OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE CLOSING), AND (F) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.

(b) WAIVER OF CONSUMER AND OTHER RIGHTS: BUYER WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SPECIFICALLY INCLUDING SECTION 17.41 ET SEQ., VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS, OR ANY SIMILAR STATE OR FEDERAL LAW. AFTER AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER ACKNOWLEDGES THAT THE DISCLAIMERS AND WAIVERS GIVEN IN AND UNDER THIS AGREEMENT SHALL BE CONSIDERED MATERIAL AND INTEGRAL PARTS OF THIS AGREEMENT, WITH CONSIDERATION GIVEN THEREFOR, AND ACKNOWLEDGES THAT ALL DISCLAIMERS AND WAIVERS ARE "CONSPICUOUS" AND, HAVE BEEN BROUGHT TO THE ATTENTION OF BUYER, AND THAT BUYER HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO ALL DISCLAIMERS AND WAIVERS.

(c) Buyer acknowledges and affirms that it has made its own independent investigation, analysis, and evaluation of the transactions contemplated hereby and the Assets (including Buyer's own estimate and appraisal of the extent and value of Seller's Hydrocarbon reserves attributable to the Assets and an independent assessment and appraisal of the environmental risks associated with the acquisition of the Assets). Buyer acknowledges that in entering into this Agreement, it has relied on the aforementioned investigation and the terms and conditions of this Agreement. Buyer hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim, or commencing, instituting, or causing to be commenced, any Proceeding of any kind against Seller or its Affiliates or Subsidiaries, alleging facts contrary to the foregoing acknowledgment and affirmation.

(d) BUYER ACKNOWLEDGES THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL, GAS AND WATER AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER HAZARDOUS SUBSTANCES LOCATED ON, UNDER OR ASSOCIATED WITH THE ASSETS. EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS; THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON OR INCLUDED IN THE ASSETS MAY CONTAIN NORM AND OTHER

WASTES OR HAZARDOUS SUBSTANCES; AND NORM CONTAINING MATERIAL AND OTHER WASTES OR HAZARDOUS SUBSTANCES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL OR OTHERWISE BEEN DISPOSED OF ON OR AROUND THE ASSETS. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES, INCLUDING HYDROGEN SULFIDE GAS AND NORM FROM THE ASSETS. FROM AND AFTER THE CLOSING, BUYER SHALL ASSUME RESPONSIBILITY FOR THE CONTROL, STORAGE, HANDLING, TRANSPORTING AND DISPOSING OF OR DISCHARGE OF ALL MATERIALS, SUBSTANCES AND WASTES FROM THE ASSETS (INCLUDING PRODUCED WATER, HYDROGEN SULFIDE GAS, DRILLING FLUIDS, NORM AND OTHER WASTES), PRESENT ON THE CLOSING DATE, IN A SAFE AND PRUDENT MANNER AND IN ACCORDANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS.

8.8 Casualty.

(a) If, after the Execution Date and prior to the Closing, a material part of the Assets suffers a Casualty Loss or if a material part of the Assets is taken in condemnation or under the right of eminent domain or if Proceedings for such purposes are pending or threatened, Seller shall promptly give Buyer written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) For Casualty Losses up to \$250,000 in the aggregate occurring after the Execution Date and prior to the Closing Date, Seller shall have no obligation to repair or restore or bear any costs associated with such Casualty Losses. For the portion of any aggregate Casualty Losses exceeding such amount (such portion exceeding \$250,000, "Excess Casualty Losses"), Seller may elect by written notice to Buyer prior to Closing to cause the Assets affected by such Excess Casualty Loss to be repaired or restored, if such repair or restoration is reasonably feasible, prior to Closing to at least its condition prior to the applicable Excess Casualty Loss, at Seller's sole cost (without an adjustment to the Purchase Price), in which event Seller shall retain all claims against Third Parties with respect to the Excess Casualty Loss. If Seller elects to cure such Excess Casualty Loss, Seller may replace any personal property that is the subject of an Excess Casualty Loss with equipment of similar grade and utility, or replace any personal property with personal property of similar nature and kind as would a prudent operator. If Seller elects to cure the Excess Casualty Loss and does in fact cure the Excess Casualty Loss, there shall be no adjustment to the Purchase Price. In the event that Seller does not make such election or is not able to cure such Excess Casualty Loss prior to Closing, the Purchase Price shall be reduced by the amount of the uncured Excess Casualty Losses, such amount not to exceed the Allocated Value of the Assets affected by such Excess Casualty Losses.

(c) Seller shall have no liability or responsibility to Buyer with respect to a Casualty Loss other than as provided in this Section 8.8, **EVEN IF SUCH CASUALTY LOSS SHALL HAVE RESULTED FROM OR SHALL HAVE ARISEN OUT OF THE SOLE OR CONCURRENT NEGLIGENCE, FAULT, VIOLATION OF A LEGAL REQUIREMENT, OR WILLFUL MISCONDUCT OF SELLER OR ANY MEMBER OF SELLER GROUP.**

8.9 Successor Operator.

Seller shall use its commercially reasonable efforts to support Buyer's efforts to have Buyer Operator appointed as the successor operator of those Properties that Seller currently operates. Notwithstanding the foregoing, Seller makes no representations or warranties to Buyer as to the transferability of operatorship of any Properties which Seller currently operates. Rights and obligations associated with operatorship of the Properties are governed by operating agreements or similar agreements and will be determined in accordance with the terms of such agreements.

8.10 Preferential Purchase Rights.

(a) Unless notice has been previously provided by Seller that is sufficient, in all respects, with the Bankruptcy Code requirements and the terms and conditions of the Preferential Purchase Right at issue, Seller shall, within three (3) Business Days after the Bidding Procedures Order is entered by the Bankruptcy Court, deliver to each holder of a Preferential Purchase Right a notice reasonably satisfactory to Buyer (i) containing a copy of the Bidding Procedures Order, the motion seeking entry of the Bidding Procedures Order, this Agreement, the proposed Sale Order and the sale notice, and (ii) informing such holder that it must submit a notice to the Seller by the Bid Deadline of such holder's intent to exercise or not exercise its Preferential Purchase Right at the Auction.

(b) All Assets that are subject to Preferential Purchase Rights that have been waived or discharged shall be transferred or assigned to Buyer at the Closing Free and Clear (excluding Permitted Encumbrances and Assumed Liabilities). In the event any holder of an enforceable Preferential Purchase Right timely exercises its Preferential Purchase Right and, as a result, the affected Assets cannot be transferred or assigned to Buyer at Closing, the Base Purchase Price shall be reduced by the Allocated Value of the Assets not transferred or assigned to Buyer.

8.11 Accounting Adjustments for Revenues and Expenses.

(a) The Base Purchase Price shall be increased by the following (without duplication): (i) an amount equal to the value of all merchantable allowable oil or other liquid Hydrocarbons in storage owned by Seller or any Transferring Subsidiary above a custody transfer point on the Effective Date that is credited to the Assets, such value to be based upon the price paid to Seller or any Transferring Subsidiary in connection with the sale of such Hydrocarbons (or if there is no sales of such Hydrocarbons, the value to be based upon the contract price for those Hydrocarbons in effect as of the Effective Time), less Taxes, royalties and other burdens applicable thereto and gravity adjustments deducted by the purchaser of such oil or other liquid Hydrocarbons; (ii) the aggregate amount of all Operating Expenses paid in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments and other charges and expenses billed under applicable operating agreements or governmental statute(s)) which are paid by or on behalf of Seller or any Transferring Subsidiary, are not subject to reimbursement to Seller or any Transferring Subsidiary pursuant to a joint interest billing and are attributable to the period on or after the Effective Date (including any pre-paid charges); (iii) for the Known Receivables, as calculated pursuant to Section 8.11(d); (iv) all cash call pre-payment amounts set forth on

Schedule 8.11(a)(iv) associated with the Assets as of the Effective Date; (v) an amount equal to \$144,000.00 per month (or prorated portion thereof) for the period from the Effective Date to the Closing Date, representing overhead charges of Seller with respect to Seller's interest in operated Properties; provided, that, in the event that any Preferential Purchase Right is exercised, such amount shall be reduced by \$450.00 for each Well operated by Seller that is excluded from the Assets on account thereof; (vi) any adjustment with respect to Asset Taxes pursuant to Section 8.1(c); and (vii) any other amount agreed upon in writing by Buyer and Seller;

(b) The Base Purchase Price shall be decreased by the following (without duplication): (i) the amount of (x) any proceeds received by Seller or any Transferring Subsidiary from the sale of Hydrocarbons, produced from and after the Effective Date, from the Properties (net of royalties and other burdens on Buyer's share of the proceeds from the production of Hydrocarbons not otherwise accounted for hereunder) actually received by Seller or any Transferring Subsidiary and (y) all other proceeds received by Seller or any Transferring Subsidiary that are attributable to the Assets from and after the Effective Date; (ii) the amount of the Suspense Funds (without taking into account debit amounts); (iii) the aggregate amount of all Operating Expenses paid (if any) in connection with the ownership, operation and maintenance of the Properties (including rentals, overhead, royalties, Lease option and extension payments and other charges and expenses billed under applicable operating agreements or governmental statute(s)) which are paid by or on behalf of Buyer, are not subject to reimbursement to Buyer pursuant to a joint interest billing and are attributable to the period prior to the Effective Date; (iv) any adjustment with respect to Asset Taxes pursuant to Section 8.1(c); and (v) any other amount agreed upon in writing by Buyer and Seller; and

(c) The Base Purchase Price will be adjusted upward or downward, as applicable, by (i) the net Mcf and barrel of oil amount of the aggregate Imbalances attributable to Seller's and the Transferring Subsidiaries' Net Revenue Interest in the Wells as of the Effective Date multiplied by \$2.50 per Mcf of gas (upward for underage and downward for overage); and (ii) the MMBtu amount of any pipeline Imbalances or unsatisfied throughput obligations attributable to Seller or any Transferring Subsidiary or the Assets for Seller's or any Transferring Subsidiary's ownership prior to the Effective Date multiplied by the actual settlement price per MMBtu (upward for over deliveries and downward for under deliveries).

(d) The upward adjustment to the Base Purchase Price for Known Receivables under Section 8.11(a)(iii) shall be calculated as follows: (i) 100% of the value of all Known Receivables that became due and payable nine (9) months or fewer prior to the first day of the month in which Closing occurs; *plus* (ii) 75% of the value of all Known Receivables that became due and payable between nine (9) months and twelve (12) months prior to the first day of the month in which Closing occurs; *plus* (iii) 50% of the value of all Known Receivables that became due and payable between twelve (12) months and eighteen (18) months prior to the first day of the month in which Closing occurs; *plus* (iv) 25% of the value of all Known Receivables that became due and payable between eighteen (18) months and twenty-four (24) months prior to the first day of the month in which Closing occurs.

8.12 Initial Adjustment at Closing.

At least five (5) Business Days before the Closing Date, Seller shall provide to Buyer a statement showing its computations, calculated in good faith, of the amount of the adjustments provided for in Section 3.1 above, together with appropriate reasonable supporting documentation. Buyer and Seller shall attempt to agree upon such adjustments prior to Closing; *provided* that if agreement is not reached, Seller's computation shall be used at Closing, subject to further adjustment under Section 8.13 below. If the amount of adjustments so determined which would result in a credit to Buyer exceeding the amount of adjustments so determined which would result in a credit to Seller, Buyer shall receive a Base Purchase Price reduction at Closing for the amount of such excess, and if the converse is true, then the amount to be paid by Buyer to Seller at Closing shall be increased by the amount of such excess.

8.13 Adjustment Post Closing.

On or before one hundred twenty (120) days after Closing, Buyer and Seller shall review any information which may then be available pertaining to the adjustments provided for in Section 3.1, shall determine if any additional adjustments should be made beyond those made at Closing (whether the same be made to account for expenses or revenues not considered in making the adjustments made at Closing, or to correct errors made in the adjustments made at Closing), and shall make any such adjustments by appropriate payments from Seller to Buyer or from Buyer to Seller. During such one hundred twenty (120) day period, a Party shall provide such documentation to the other Party as such other Party may request to support adjustments to the Purchase Price. If the Parties fail to agree on final adjustments within such one hundred twenty (120) day period, either Party may, within thirty (30) days after the end of such period, submit the disputed items to a nationally-recognized, United States-based independent public accounting firm on which the Parties mutually agree in writing (the "Accounting Referee"); *provided, however*, that the Accounting Referee shall not have performed any material work for any Party or their respective Affiliates within three (3) years of the date hereof. If the Parties are unable to agree upon the designation of a Person or entity as Accounting Referee, then Seller or Buyer, or either of them, may in writing request the Bankruptcy Court to appoint an Accounting Referee; *provided* that such Person or entity so appointed shall be a national or regional accounting firm with no prior material relationships with Seller or Buyer or their respective Affiliates and shall have experience in auditing companies engaged in oil and gas exploration and development activities. Any unresolved matters described in this Section 8.13 that are not submitted to the Accounting Referee within such thirty (30) day period shall be deemed waived by the Parties, which waiver shall be final and binding on the Parties and the subject matter thereof shall not be subject to further review or audit. The Parties shall direct the Accounting Referee to resolve the disputes within thirty (30) days after submission of the matters in dispute. The Accounting Referee shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either Party and may not award damages or penalties to either Party with respect to any matter. Seller and Buyer shall share equally the Accounting Referee's costs, fees and expenses (including attorneys' fees). The final settlement statement, whether as agreed between the Parties or as determined by a decision of the Accounting Referee (the "Final Settlement Statement"), shall be binding on, and non-appealable by, the Parties and not subject to further review or audit. Payment by Buyer or Seller, as applicable, for any outstanding amounts on the Final Settlement Statement shall be made within five (5) Business Days after the

date on which all disputes in respect of the Final Settlement Statement are finally resolved (whether by agreement of the Parties or pursuant to the Accounting Referee's decision). During the period between Closing and the point in time when the Final Settlement Statement has been agreed to by the Parties, or determined by a decision of the Accounting Referee, each Party shall, on a monthly basis, (i) pay over to the other Party any revenue received by it (net of related expenses) with respect to the Assets which is owed to the other Party as set forth in Section 8.11 above, and (ii) deliver any cash, checks with appropriate endorsements (using their best efforts not to convert such checks into cash) or other property that it may receive on or after the Closing which properly belongs to the other Party, and such payments and deliveries shall be considered in determining the Final Settlement Statement. Notwithstanding the foregoing, as of the date that the Final Settlement Statement is agreed to by the Parties, or determined by a decision of the Accounting Referee, the Final Settlement Statement shall be final and binding on the Parties and not subject to further review or audit, and neither Party shall have any further rights or obligations regarding payment of money or delivery of property pursuant to the preceding sentence. Any amounts which may become payable from Seller to Buyer pursuant to this Section 8.13 or otherwise under this Agreement shall constitute a super priority administrative expense of Seller under Section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER TO CLOSE

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

9.1 Accuracy of Representations.

The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects) on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date); *provided, however*, that in the event of a breach of or inaccuracy in the representations and warranties of Seller set forth in this Agreement, the condition set forth in this Section 9.1 shall be deemed satisfied unless the effect of all such breaches of or inaccuracies in such representations and warranties taken together results in a Material Adverse Effect. Unless otherwise waived by Buyer, Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof. If Buyer determines that there has been a breach or inaccuracy of any of Seller's representations and warranties, it shall provide Seller with notice of such breach or inaccuracy as promptly as reasonably practicable after the determination thereof, but in no event later than five (5) Business Days before the Closing Date if determined as of such time, so that Seller may attempt to cure such breach or inaccuracy on or before the Closing Date.

9.2 Seller's Performance.

Each covenant and agreement that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or Material Adverse Effect or similar expressions shall have been duly performed and complied with in all respects), and Buyer shall have received a certificate of Seller to such effect signed by a duly authorized officer thereof.

9.3 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

9.4 Seller's Deliveries.

Each of the deliveries required to be made to Buyer pursuant to Section 4.4 shall have been so delivered.

9.5 Sale Order.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be a Final Order and in full force and effect and shall not be subject to a stay pending appeal. For the avoidance of doubt, Buyer is relying on the terms of the Sale Order, including the protections of Bankruptcy Code Sections 363(b), 363(f), 363(m), 365(a), 365(b), and 365(f), and does not intend to consummate the transactions contemplated by this Agreement unless the Sale Order has been entered and has become a Final Order.

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, at or prior to the Closing, of each of the following conditions:

10.1 Accuracy of Representations.

The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects (except that those representations and warranties which are qualified as to materiality or similar expressions shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (*provided* that representations and warranties which are confined to a specified date shall speak only as of such date), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.2 Sale Order in Effect.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be in full force and effect and shall not be subject to a stay pending appeal.

10.3 Buyer's Performance.

The covenants and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects (except that those covenants and agreements that are qualified as to materiality or similar expressions shall have been duly performed and complied with in all respects), and Seller shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

10.4 No Order.

No Governmental Authority shall have enacted, issued, promulgated or entered any Order or other Legal Requirement which is in effect and which has the effect of making illegal or otherwise prohibiting the consummation of the transaction contemplated by this Agreement or could cause any of such transactions to be rescinded following the Closing.

10.5 Buyer's Deliveries.

Each of the deliveries required to be made to Seller pursuant to Section 4.3 shall have been so delivered.

ARTICLE 11

TERMINATION

11.1 Termination Events.

Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) by either Seller or Buyer:

(i) if a Governmental Authority issues a final, non-appealable ruling or Order prohibiting the transactions contemplated hereby where such ruling or Order was not requested, encouraged or supported by Seller or Buyer;

(ii) by mutual written consent of Seller and Buyer;

(iii) if the Closing has not occurred by the close of business on November 14, 2016 (the "Outside Date"); *provided, however*, that (1) Buyer shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(iii) only if Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein, and (2) Seller shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(iii) only if Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein;

(iv) if Seller withdraws or seeks authority to withdraw the Sale Motion, or announces any stand-alone plan of reorganization or liquidation (or supports any such plan filed by any other party);

(v) if the Bankruptcy Court enters an Order dismissing, or converting into cases under chapter 7 of the Bankruptcy Code, any of the cases commenced by Seller under chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Case; *provided, however*, that Seller shall be permitted to terminate this Agreement pursuant to this Section 11.1(a)(v) only if such Order was not requested, encouraged or supported by Seller; or

(vi) if Seller enters into (or provides written notice to Buyer of its intent to enter into) one or more agreements to sell, transfer or otherwise dispose of any material portion of the Assets in a transaction or series of transactions other than in the ordinary course of business with one or more Persons other than Buyer or the Successful Bidder at the Auction;

(b) by Buyer:

(i) in the event of any breach by Seller of any of Seller's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.1 or Section 9.2 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Seller to cure such breach within ten (10) days after receipt of the Buyer Termination Notice; *provided, however*, that (A) Buyer is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order, (B) Buyer notifies Seller in writing (the "Buyer Termination Notice") of its intention to exercise its rights under this Section 11.1(b)(i) as a result of the breach, and (C) Buyer specifies in the Buyer Termination Notice the representation, warranty, covenant or agreement contained herein or in the Bidding Procedures Order or Sale Order of which Seller is allegedly in breach and a description of the specific factual circumstances to support the allegation;

(ii) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction; *provided* that Buyer shall not be permitted to terminate this Agreement pursuant to this Section 11.1(b)(ii) until after the twenty-fifth (25th) day following entry by the Bankruptcy Court of an Order authorizing and approving a competing transaction with the Successful Bidder at the Auction (and, notwithstanding Buyer's not having been the Successful Bidder or the Backup Bidder at the Auction, until such time (if any) as Buyer terminates this Agreement pursuant to this Section 11.1(b)(ii), the obligations of Buyer to consummate the transactions contemplated by this Agreement shall remain unaffected by Buyer's right to terminate this Agreement pursuant to this Section 11.1(b)(ii));

(iii) if Seller fails to file the Bidding Procedures Motion with the Bankruptcy Court on or before the second (2nd) Business Day after the Execution Date; or

(iv) if an Order approving the Bidding Procedures, the Break-up Fee, the Expense Reimbursement and Buyer as "stalking horse purchaser" of the Assets is not approved by the Bankruptcy Court on or before the thirtieth (30th) day after the Execution Date.

(c) by Seller:

(i) in the event of any breach by Buyer of any of Buyer's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 10.1 or Section 10.3 to be satisfied) or (if such breach is material) in the Bidding Procedures Order or Sale Order, and the failure of Buyer to cure such breach within ten (10) days after receipt of the Seller Termination Notice; *provided, however*, that Seller (A) is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Bidding Procedures Order or the Sale Order, (B) notifies Buyer in writing (the "Seller Termination Notice") of its intention to exercise its rights under this Section 11.1(c)(i) as a result of the breach, and (C) specifies in the Seller Termination Notice the representation, warranty, covenant or agreement contained herein or in the Bidding Procedures Order or Sale Order of which Buyer is allegedly in breach and a description of the specific factual circumstances to support the allegation;

(ii) if Buyer is not the Successful Bidder or the Backup Bidder at the Auction; or

(iii) if the Deposit is not timely paid by Buyer in accordance with Section 3.2.

11.2 Effect of Termination.

In the event of termination of this Agreement by Buyer or Seller pursuant to this Article 11, all rights and obligations of the Parties under this Agreement shall terminate without any Liability of any Party to any other Party; *provided, however*, that nothing herein shall relieve any Party from liability for breach of this Agreement prior to such termination. The provisions of this Section 11.2 and Section 3.2 (and, to the extent applicable to the interpretation or enforcement of such provisions, Article 1 and Article 13), shall expressly survive the termination of this Agreement.

11.3 Break-Up Fee and Expense Reimbursement.

(a) In the event that this Agreement is terminated pursuant to subsection (a)(iii), (a)(iv), (a)(vi), (b)(i), (b)(ii) or (c)(ii) of Section 11.1, Buyer shall be entitled to payment by Seller of (i) a termination fee equal to \$4,587,285.50 (the "Break-Up Fee") and (ii) an amount equal to the lesser of (A) \$2,500,000.00 and (B) Buyer's actual out-of-pocket fees and expenses incurred in connection with this Agreement and other agreements, pleadings, documents, hearings, discovery, and transactions related hereto (including losses in connection with unwinding hedging transactions and expenses incurred in connection with entering into hedging transactions) (the "Expense Reimbursement").

(b) Seller's obligation to pay the Break-Up Fee and the Expense Reimbursement shall survive termination of this Agreement. Seller shall pay the Break-up Fee to Buyer upon the consummation of an Alternative Transaction. Seller shall pay the Expense Reimbursement to Buyer within ten (10) days after the termination of this Agreement.

(c) Buyer's right to payment of the Break-Up Fee and Expense Reimbursement shall constitute an administrative expense in the Bankruptcy Case pursuant to

Section 503(b) or 507(a)(2) of the Bankruptcy Code with priority over any and all administrative expenses of a kind specified in sections 503(b) and 507(a) of the Bankruptcy Code and senior to all other super priority administrative expenses in the Bankruptcy Case.

(d) Each Party acknowledges that the agreements contained in this Section 11.3 are an integral part of this Agreement and that, without these agreements, the other Party would not enter into this Agreement.

(e) Buyer represents to Seller that this Section 11.3 is a condition precedent to Buyer's execution of this Agreement and is necessary to ensure that Buyer will continue to pursue the proposed acquisition of the Assets, and Seller acknowledges that the Break-Up Fee and Expense Reimbursement, if payable hereunder, (i) constitute actual and necessary costs and expenses of preserving Seller's estates, within the meaning of Section 503(b) of the Bankruptcy Code, (ii) are of substantial benefit to Seller's estates by, among other things, establishing a bid standard or minimum for other bidders and placing estate property in a sales configuration mode attracting other bidders to a potential auction, (iii) are reasonable and appropriate, including in light of the size and nature of the sale of the Assets by Seller to Buyer contemplated hereby and the efforts that have been or will be expended by Buyer, notwithstanding that such sale is subject to higher and better offers, and (iv) was negotiated by the Parties at arm's-length and in good faith.

ARTICLE 12

SURVIVAL AND INDEMNIFICATION

12.1 No Survival of Seller's Representations and Warranties.

The representations and warranties of Seller contained in Article 5 of this Agreement and in any certificate or other Transaction Document delivered by Seller pursuant to this Agreement shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof. Each of Seller's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except the covenants and agreements of Seller in Sections 2.4, 2.5, 2.6, 2.7, 4.5, 7.3(a) and (b), 7.5(c) and (d), 8.1, 8.2, 8.5, 8.6, and 8.13 and Article 13 (each a "Post-Closing Covenant"), which shall survive the Closing until the earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b)(i) if time for performance of such Post-Closing Covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such Post-Closing Covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; *provided* that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

12.2 Survival of Buyer's Representations and Warranties.

The representations and warranties of Buyer contained in Article 6 of this Agreement shall survive the Closing through and including the date that is twelve (12) months

after the Closing Date (the “Expiration Date”); *provided, however*, that any obligations to indemnify and hold harmless shall not terminate with respect to any Liabilities as to which a Seller Indemnified Party shall have given notice to Buyer in accordance with Section 12.4(a) on or before the Expiration Date.

12.3 Indemnification by Buyer.

(a) Subject to Section 12.2, Buyer hereby agrees to indemnify and hold Seller and each member of the Seller Group (collectively, the “Seller Indemnified Parties”) harmless from and against:

(i) any and all Liabilities based upon, attributable to or resulting from the breach of any representation or warranty of Buyer set forth in Article 6 hereof, or any representation or warranty contained in any certificate delivered by or on behalf of Buyer pursuant to this Agreement;

(ii) any and all Liabilities based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of Buyer under this Agreement; and

(iii) all Assumed Liabilities.

(b) Notwithstanding anything contained herein to the contrary, any Seller Indemnified Party making an Indemnification Claim under Section 12.3 must give notice to the indemnifying Party of any such Indemnification Claim in writing on or prior to the Expiration Date.

12.4 Indemnification Procedures.

(a) In the event that any Actions shall be instituted or that any claim or demand shall be asserted by any Seller Indemnified Party in respect of which payment may be sought under Section 12.3 (an “Indemnification Claim”), the Seller Indemnified Party shall reasonably and promptly cause written notice of the assertion of any Indemnification Claim of which it has knowledge which is covered by this indemnity to be forwarded to the indemnifying Party; *provided* that a Seller Indemnified Party need not wait until an Action has been instituted or demand has been asserted before delivering written notice of an Indemnification Claim to the indemnifying Party. The indemnifying Party shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the Seller Indemnified Party, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder. If the indemnifying Party elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the Seller Indemnified Party of its intent to do so. If the indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Liabilities indemnified against hereunder, the Seller Indemnified Party may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the indemnifying Party shall assume the defense of any Indemnification Claim, the Seller Indemnified Party may

participate, at his or its own expense, in the defense of such Indemnification Claim; *provided, however*, that such Seller Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the indemnifying Party if so requested by the indemnifying Party to participate; and *provided, further*, that the indemnifying Party shall not be required to pay for more than one such counsel for all Seller Indemnified Parties in connection with any Indemnification Claim. The Parties agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything in this Section 12.4 to the contrary, neither the indemnifying Party nor any Seller Indemnified Party shall, without the written consent of the other, settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless the claimant and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim. If the indemnifying Party makes any payment on any Indemnification Claim, the indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Seller Indemnified Party to any insurance benefits or other claims of the Seller Indemnified Party with respect to such Indemnification Claim.

(b) After any final decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the Seller Indemnified Party and the indemnifying Party shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the Seller Indemnified Party shall forward to the indemnifying Party notice of any sums due and owing by the indemnifying Party pursuant to this Agreement with respect to such matter.

12.5 Calculation of Liabilities.

The amount of any Liabilities for which indemnification is provided under this Article 12 shall be net of any amounts actually recovered by the Seller Indemnified Party under insurance policies with respect to such Liabilities (net of any Tax or expenses incurred in connection with such recovery).

12.6 Tax Treatments of Indemnity Payments.

The Parties agree to treat any indemnity payment made pursuant to this Article 12 as an adjustment to the Base Purchase Price for federal, state, local and foreign income tax purposes. Any indemnity payment under this Article 12 shall be treated as an adjustment to the value of the Asset upon which the underlying Indemnification Claim was based, unless a final determination (which shall include the execution of a Form 870-AD or successor form) with respect to the Seller Indemnified Party causes any such payment not to be treated as an adjustment to the value of the asset for United States federal income tax purposes.

ARTICLE 13

GENERAL PROVISIONS

13.1 Confidentiality.

Notwithstanding anything in the Non-Disclosure Agreement to the contrary, the Parties agree that the non-disclosure agreement entered into by them and their Affiliates, dated

February 5, 2016 (the “Non-Disclosure Agreement”), shall continue in full force and effect notwithstanding the execution and delivery by the Parties of this Agreement; *provided, however*, that (a) disclosure of matters that become a matter of public record as a result of the Bankruptcy Case and the filings related thereto shall not constitute a breach of such Non-Disclosure Agreement, and (b) disclosures permitted under this Agreement shall not constitute a breach of such Non-Disclosure Agreement. Effective upon Closing, Buyer’s obligations under the Non-Disclosure Agreement shall terminate (except with respect to the Excluded Assets).

13.2 Public Announcements.

Buyer, on the one hand, and Seller, on the other hand, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement, the transaction contemplated hereby or the activities and operations of the other Party, and shall not issue any such release or make any such statement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, prior to or after the Closing, if Buyer (including any of its parent entities), on the one hand, or Seller (including any of its parent entities), on the other is required to make any statement, declaration or public announcement regarding this Agreement or the transaction contemplated hereunder pursuant to (a) any Legal Requirement, (b) applicable rules or regulations of any national securities exchange, or (c) the terms of such Party’s (including such Party’s respective parent entities) indentures, loan agreements, credit agreements or other similar debt agreements or financial instruments, then the same may be made without the approval of the other Party.

13.3 Notices.

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving Party being obligated to respond affirmatively to any read receipt requests delivered by the other Party), (c) received by the addressee, if sent by a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Parties):

- (i) If to Seller, then to:

Samson Resources Company
Two West Second Street
Tulsa, Oklahoma 74103-3103
Attn: General Manager - Business Development
Phone: 918-591-1254
E-mail: bd@samson.com

and

Samson Resources Company

Two West Second Street
Tulsa, Oklahoma 74103-3103
Attn: Corporate Secretary
Phone: 918-583-1791
E-mail: legal@samson.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn: Ross M. Kwasteniet; Brad Weiland; Jason
Gott
Phone: (312) 862-7182
E-mail: brad.weiland@kirkland.com

Kirkland & Ellis LLP
600 Travis Street, Suite 3300
Houston, Texas 77002
Attn: Anthony Speier, P.C.; Cody R. Carper
Phone: (713) 835-3734
E-mail: cody.carper@kirkland.com

(ii) If to Buyer:

Tecolote Holdings, LLC
401 S. Boston Ave, Suite 1500
Tulsa, Oklahoma 74103
Attention: Maurice Storm
Telephone: (918) 513-4180
Email: mstorm@tecollc.com

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

Thompson & Knight LLP
1722 Routh Street, Suite 1500
Dallas, Texas 75201
Attention: Lawrence A. Hall
Telephone: (214) 969-1635
Email: larry.hall@tklaw.com

13.4 Waiver; Waiver of Damages.

No waiver of any of the provisions of this Agreement or rights hereunder shall operate as a waiver unless it is in writing and signed by the Party against whom enforcement of such waiver is sought. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or

privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (b) no notice to or demand on one Party shall be deemed to be a waiver of any right of the Party giving such notice or demand to take further action without notice or demand. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF, ASSOCIATED WITH, OR RELATING TO THIS AGREEMENT (INCLUDING LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, HOWEVER THE SAME MAY BE CAUSED) AND THE PARTIES HEREBY WAIVE ALL CLAIMS FOR ANY SUCH DAMAGES.

13.5 Entire Agreement; Amendment.

This Agreement (including the Schedules, Disclosure Schedules and the Exhibits) and the other Transaction Documents supersede all prior agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Buyer, on the one hand, and Seller, on the other hand, with respect to their subject matter. This Agreement may not be amended except by a written agreement executed by all of the Parties.

13.6 Assignment.

This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Parties (which consent may be granted or withheld in the sole discretion of such other Party); *provided, however*, that Buyer may, upon notice to Seller at least five (5) Business Days before the Closing and without limiting Buyer's obligations or liabilities under this Agreement, require that portions or all of the Miscellaneous Corporate Property, Surface Rights and other Assets not included in the Properties be conveyed directly to Buyer Operator at the Closing.

13.7 Severability.

The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

13.8 Expenses.

The Parties shall bear their own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

13.9 Time of the Essence.

Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

13.10 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) **Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Texas applicable hereto.**

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however,* that, if the Bankruptcy Case is closed, all Actions and Proceedings arising out of or relating to this Agreement shall be heard and determined in a Texas state court or a federal court sitting in the state of Texas, and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 13.3) or any other manner permitted by law.

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

13.11 Counterparts.

This Agreement and any amendment hereto may be executed in two (2) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 13.3, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by telecopier or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

13.12 Parties in Interest; No Third Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind.

13.13 No Recourse.

Notwithstanding anything that may be expressed or implied in this Agreement or any Transaction Document, and notwithstanding the fact that any Party may be a partnership or limited liability company, each Party, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that no Persons other than the Parties shall have any obligation hereunder and that it has no rights of recovery hereunder against, and no recourse hereunder or under any Transaction Documents or in respect of any oral representations made or alleged to be made in connection herewith or therewith shall be had against, any former, current or future Affiliate, incorporator, controlling Person, fiduciary, Representative, co-owner or equity holder of any Party (or any of their successors or permitted assignees) (each, a "Party Affiliate"), whether by or through attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of such Person against the Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Legal Requirement, or otherwise; it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Party Affiliate, as such, for any obligations of the applicable Person under this Agreement or the transaction contemplated hereby, under any documents or instruments delivered contemporaneously herewith, in respect of any oral representations made or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

13.14 Disclosure Schedules; Materiality.

The inclusion of any matter in any Disclosure Schedule shall be deemed to be an inclusion for all purposes of this Agreement, in all other Disclosure Schedules to the extent that such disclosure is sufficient to identify the matter to which such disclosure is responsive, but inclusion therein shall not be deemed to constitute an admission, or otherwise imply, that any such matter is material or creates a measure for materiality for purposes of this Agreement. The disclosure of any particular fact or item in any Disclosure Schedule shall not be deemed an admission as to whether the fact or item is "material" or would constitute a "Material Adverse Effect."

13.15 Specific Performance.

The Parties agree that irreparable damage would occur if any provision of this Agreement is not performed in accordance with the terms hereof, including if any of the Parties fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement, and that the Parties shall be entitled to an injunction or injunctions without proof of damages or posting a bond or other security to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other

remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity. The right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right neither Seller nor Buyer would have entered into this Agreement. If, prior to the Outside Date, any Party brings any action to enforce specifically the performance of the terms and provisions hereof by any other Party, the Outside Date will automatically be extended (a) for the period during which such action is pending, plus ten (10) Business Days or (b) by such other time period established by the court presiding over such action, as the case may be.

13.16 Liquidating Trustee.

If at any time Seller liquidates or otherwise has a trustee or other representative appointed by the Bankruptcy Court, then such trustee or other representative shall be entitled to exercise the rights of Seller under this Agreement.


13.17 Approval of the Bankruptcy Court.

Notwithstanding anything herein to the contrary, any and all obligations under this Agreement are subject to the entry of the Sale Order.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

SAMSON RESOURCES COMPANY

By: 
Name: Sean Woolverton
Title: Executive Vice President & Chief Operating Officer

TECOLOTE HOLDINGS, LLC


By: 
Name: Maurice F. Storm
Title: President and Chief Executive Officer

Exhibit D

Sale Notice

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

In re:)	
	)	Chapter 11
SAMSON RESOURCES CORPORATION, <i>et al.</i> , ¹	)	Case No. 15-11934 (CSS)
)	
Debtors.	)	(Jointly Administered)
)	

**NOTICE OF POTENTIAL STALKING HORSE HEARING,
BID DEADLINE, AND SALE HEARING**

PLEASE TAKE NOTICE that on September [●], 2016, the above-captioned debtors and debtors in possession (the “Debtors”)² filed the *Debtors’ Motion for Entry of (I) an Order Establishing Bidding Procedures and Granting Related Relief and (II) an Order Approving the Sale of Certain Assets Free and Clear of Liens, Claims, Encumbrances, and Interests* [Docket No. _] (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) seeking, among other things, entry of an order (the “Sale Order”): (a) approving the proposed bidding procedures (the “Bidding Procedures”) by which the Debtors will solicit and select the highest and otherwise best offer for the sale of certain of their assets (the “Assets”) through one or more sales of the Assets (each, a “Sale Transaction” or “Sale”); (b) establishing procedures for the assumption and assignment of executory contracts and unexpired leases, including notice of proposed cure amounts; (c) approving the form and manner or notice with respect to certain procedures, protections, schedules, and agreements described herein and attached hereto; (d) scheduling (i) a hearing (the “Stalking Horse Hearing”), to approve the Debtors’ selection of one or more stalking horse bidders (each, a “Stalking Horse Bidder”), if any, and the provision of Bid Protections (as defined below) to such Stalking Horse Bidder, if necessary; (ii) an auction (the “Auction”) if the Debtors receive two or more timely and acceptable Qualified Bids (as defined below); and (iii) a final hearing (the “Sale Hearing”) to approve one or more Sales of the Assets; and (e) granting related relief. The Debtors further request that, at the Sale Hearing, this Court enter an order or orders (each, a “Sale Order”), which will be filed before the Sale Hearing, (a) authorizing the Sale of the Assets free and clear of liens, claims, interests, and encumbrances; (b) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (c) granting related relief.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); Samson Investment Company (1091); Samson Lone Star, LLC (9455); Samson Resources Company (8007); and Samson Resources Corporation (1227). The location of parent Debtor Samson Resources Corporation’s corporate headquarters and the Debtors’ service address is: Two West Second Street, Tulsa, Oklahoma 74103.

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

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting offers for the purchase of certain Assets of the Debtors consistent with the Bidding Procedures approved by the Bankruptcy Court by entry of an order on September [●], 2016 [Docket No. __] (the “Bidding Procedures Order”). **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, the Debtors will seek approval of a Stalking Horse Bidder, if any, at the Stalking Horse Hearing scheduled to commence **on or about [●], 2016 at []:[] [a/p].m. (prevailing Eastern Time)** before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge for the Bankruptcy Court for the District of Delaware, at 824 North Market Street, 6th Floor, Courtroom No. 6, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that, if the Debtors receive qualified competing bids within the requirements and time frame specified by the Bidding Procedures, the Debtors will conduct an Auction of the Assets **on or about [●], 2016 at []:[] [a/p].m. (prevailing Eastern Time)** at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022 (or at any other location as the Debtors may hereafter designate on proper notice).

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Sale at the Sale Hearing scheduled to commence on or before **[●], 2016 at []:[] [a/p].m. (prevailing Eastern Time)** (the “Sale Hearing”) before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge for the Bankruptcy Court for the District of Delaware, at 824 North Market Street, 6th Floor, Courtroom No. 6, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures Order with respect to any objections to proposed cure amounts or the assumption and assignment of Designated Contracts, objections to the relief requested in the Sale Motion **must**: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be **actually received** by **[●], 2016 at []:[] [a/p].m. (prevailing Eastern Time)** by the following parties (the “Objection Recipients”):

Co-Counsel to the Debtors	Co-Counsel to the Debtors
Kirkland & Ellis LLP 300 North LaSalle Chicago, Illinois 60654 Attn.: Brad Weiland, Esq.; Alexandra Schwarzman, Esq.	Klehr Harrison Harvey Branzburg LLP Domenic E. Pacitti 919 N. Market Street, Suite 1000 Wilmington, Delaware –and– Morton Branzburg 1835 Market Street, Suite 1400 Philadelphia, Pennsylvania 19103

Counsel to the Committee	Co-Counsel to the Committee
White & Case LLP 1155 Avenue of the Americas New York, New York 10036 Attn: Glenn M. Kurtz, Esq.; J. Christopher Shore, Esq.; Michele J. Meises, Esq.; Thomas MacWright, Esq.;	Farnan LLP 919 North Market Street, Suite 12th Floor Wilmington, Delaware 19801 Attn: Joseph J. Farnan, Jr., Esq.; Joseph J. Farnan, III, Esq.; Michael J. Farnan, Esq.
The United States Trustee	Counsel to the Stalking Horse Bidder
Office of the United States Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 Attn: Tiara Paton	[•]
Counsel to the First Lien Agent	Co-Counsel to the First Lien Agent
Mayer Brown LLP 71 S. Wacker Drive Chicago, Illinois 60606 Attn: Sean T. Scott, Esq., and 700 Louisiana Street, Suite 3400, Houston, Texas 77002, Attn: Charles S. Kelley, Esq.	Fox Rothschild LLP 919 North Market Street, Suite 300 Wilmington, Delaware 19801 Attn: Jeffrey M. Schlerf, Esq. and L. John Bird, Esq.
Counsel to the Second Lien Agent	Co-Counsel to the Second Lien Agent
Willkie Farr & Gallagher LLP 787 Seventh Avenue New York, NY 10019 Attn: Ana M. Alfonso, Esq.	Richards, Layton & Finger, P.A. One Rodney Square, 920 North King Street Wilmington, DE 19801 Attn: John H. Knight, Esq. and Joseph C. Barsalona II, Esq.

PLEASE TAKE FURTHER NOTICE that, you may have an oil and gas interest, including, but not limited to a royalty interest or working interest, which may provide for consent rights or a preferential purchase right with respect to certain of the Assets proposed to be sold pursuant to the Sale Transactions. **You must file a timely objection to the applicable Sale Transaction to exercise any preferential purchase right or consent right. If you fail to file a timely objection, you will be deemed to have consented and/or deemed to have declined to exercise any preferential purchase right (if any) or consent right (if any) to the applicable Sale Transaction.** If you object to the relief requested in the Sale Motion, including the sale of some or all of the Assets absent your consent or ability to exercise your preferential right, if any, objections to the relief requested in the Sale Motion **must**: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be **actually received** by **[•], 2016 at []:[] [a/p].m. (prevailing Eastern Time)** by the Objection Recipients.

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

PLEASE TAKE FURTHER NOTICE that copies of the Sale Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits, including the Stalking Horse Agreement and the proposed Sale Order, are available: (a) upon request to Garden City Group LLC (the notice and claims agent retained in these chapter 11 cases) by calling (877) 547-8096; (b) by visiting the website maintained in these chapter 11 cases at <http://http://cases.gcginc.com/SamsonRestructuring/index.php>; or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

Dated: _____, 2016
Wilmington, Delaware

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Co-Counsel for the Debtors and Debtors in Possession

Exhibit E

Post-Auction Notice

with respect to certain of the Assets at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022.

PLEASE TAKE FURTHER NOTICE that, at the conclusion of the Auction, the Debtors, in consultation with their professionals, selected the following Successful Bidder and Backup Bidder with respect to the Assets:

Assets	Successful Bidder	Backup Bidder

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to consider approval of the sale of the Assets to the Successful Bidders at the Auction, free and clear of all liens, claims, interests, and encumbrances in accordance with Bankruptcy Code section 363(f), will be held before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge for the Bankruptcy Court for the District of Delaware, at 824 North Market Street, 6th Floor, Courtroom No. 6, Wilmington, Delaware 19801, on **[●], 2016 at []:00 [a/p].m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE, that at the Sale Hearing, the Debtors will seek Bankruptcy Court approval of the Successful Bid(s) and the Backup Bid(s) (if any). Unless the Bankruptcy Court orders otherwise, the Sale Hearing shall be an evidentiary hearing on matters relating to the Sale Transaction(s) and there will be no further bidding at the Sale Hearing. In the event that one or more Successful Bidder(s) cannot or refuses to consummate the Sale because of the breach or failure on the part of such Successful Bidder(s), the applicable Backup Bidder(s) will be deemed the new Successful Bidder(s) and the Debtors shall be authorized, but not required, to close with the Backup Bidder(s) on the Backup Bid(s) without further order of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that this Notice of Successful Bidder(s) and Backup Bidder(s) is subject to the terms and conditions of the Sale Motion and the Bidding Procedures Order, with such Bidding Procedures Order controlling in the event of any conflict, and the Debtors encourage parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Assets and/or copies of any related document, including the Sale Motion or the Bidding Procedures Order, may make a written request to: co-counsel for the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, IL 60654, Attn: Brad Weiland, Esq. (brad.weiland@kirkland.com), and Alexandra Schwarzman, Esq. (alexandra.schwarzman@kirkland.com).

PLEASE TAKE FURTHER NOTICE that copies of the Sale Motion, the Bidding Procedures Order, this Notice, and any other related documents are available: (a) upon request to Garden City Group LLC (the notice and claims agent retained in these chapter 11 cases) by calling (877) 547-8096; (b) by visiting the website maintained in these chapter 11 cases at <http://http://cases.gcginc.com/SamsonRestructuring/index.php>; or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

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