

**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. 1322

**SUPPLEMENT TO 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 supplement to the Bidding Procedures Motion (as defined herein).²

The Bidding Procedures Motion

1. On September 6, 2016, 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* [Docket No. 1322] (the “Bidding Procedures Motion”). Pursuant to the Bidding Procedures Motion, the Debtors requested approval of three Stalking Horse Agreements and related Bidding Procedures for the San Juan, West Anadarko, and Williston asset packages (with Stalking Horse Bids

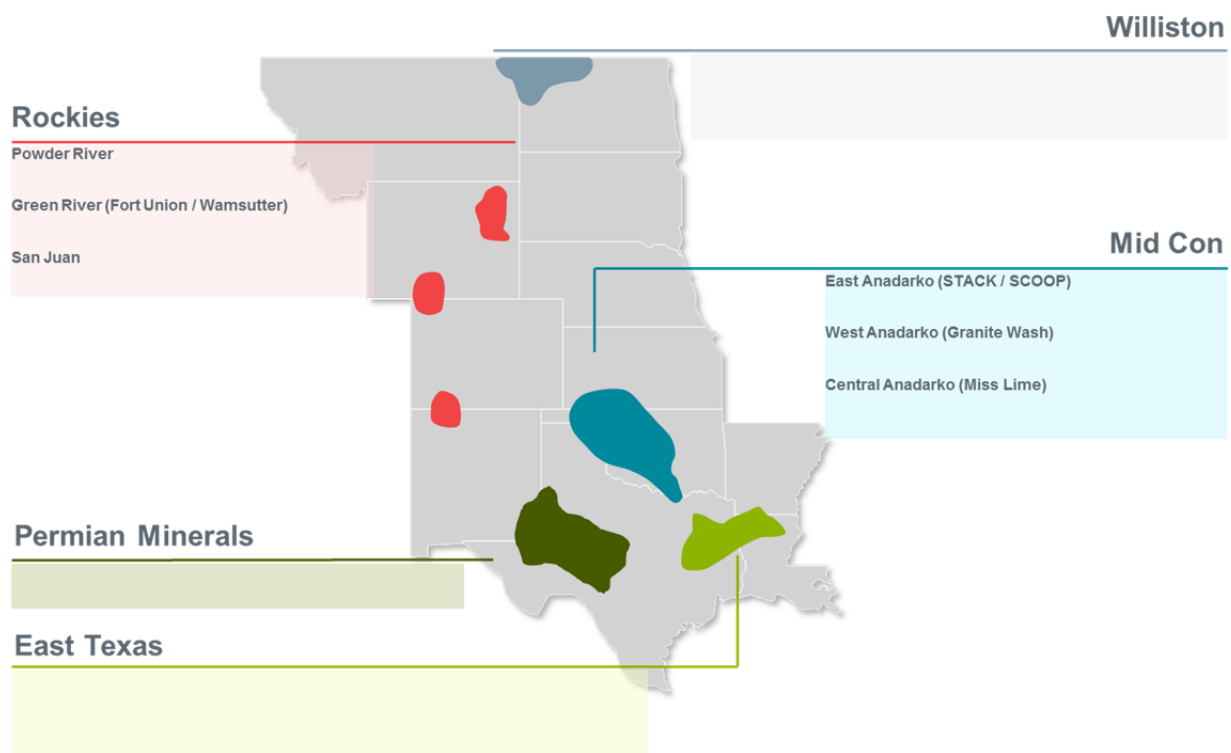
¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); 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 Bidding Procedures Motion, the applicable Stalking Horse Agreement, and the Bidding Procedures, as applicable.

totaling over \$320 million in the aggregate), as well as any additional assets for which the Debtors obtained acceptable stalking horse bids before the hearing to approve the Bidding Procedures Order.

The Additional Asset Sales

2. Among the oil and gas assets included in the Debtors’ comprehensive marketing process are the Permian Minerals, located primarily in the Permian Basin in West Texas and the Central Anadarko and East Anadarko asset packages, located in the Mid-Continent or Anadarko Basin in Oklahoma, Texas, and Kansas.



3. The Permian Minerals asset package consists of 399,040 gross acres (61,220 net acres) in New Mexico and Texas, and 195 wells. Unlike certain of the Debtors’ other assets, the Permian Minerals largely consist of fee simple property rights in hydrocarbon-rich locations. The Permian Minerals are not generally producing properties and, other than a minor number of wells, are not operated by the Debtors or any other party.

4. The East Anadarko assets package consists of 313,000 gross acres (36,000 net acres) in Oklahoma, and 570 wells, 118 of which are operated by the Debtors. The Central Anadarko asset package consists of 2,020,000 gross acres (223,571 net acres) in Oklahoma, Texas, Kansas, Colorado, and Illinois and 2,256 wells, 600 of which are operated by the Debtors. Like most of the Debtors' assets, the Central Anadarko and East Anadarko asset packages consist of operated and non-operated natural gas and oil wells and other oil and gas interests.

5. On September 9, 2016, certain of the Debtors and Saxet Minerals, LLC ("Saxet") and Royalty Interests Partnership, LP ("Royalty Interests") executed a Stalking Horse Agreement, attached hereto as **Exhibit B**, with respect to the Permian Minerals. On September 13, 2016, certain of the Debtors and Fairway Resources Partners III, LLC executed a Stalking Horse Agreement, attached hereto as **Exhibit C**, with respect to Central Anadarko, and the certain of the Debtors and Rebellion Energy, LLC executed a Stalking Horse Agreement, attached hereto as **Exhibit D**, with respect to East Anadarko.

The Permian Stalking Horse Agreement

6. The key terms of the Stalking Horse Agreement and the pertinent provisions of the Bidding Procedures for the Permian Minerals asset package include:

- Purchase Price of \$30,000,000.00 in cash;
- Minimum Bid of \$31,700,000.00 in cash;
- Minimum Overbid Increment of \$200,000.00 in cash;
- Breakup Fee of \$900,000.00 in cash; and
- Expense Reimbursement of up to \$600,000.00 in cash.

7. Saxet and Royalty Interests are joint bidders for the Permian Minerals. Absent the ability to jointly bid on the Permian Minerals assets, neither Saxet nor Royalty Interests would competitively bid on the Permian Minerals assets. The Debtors submit that the joint

bidding here is proper and should be approved. *See, e.g., In re GSC, Inc.*, 453 B.R. 132, 154 (Bankr. S.D.N.Y. 2011) (finding joint bidding was proper and did not constitute collusive bidding because, while “two bidders acting together to lower the sale price constitutes collusion, here the parties combined their bids to *raise* the sale price rather than to lower it”) (emphasis in original, internal citations omitted)).

The Central Anadarko Stalking Horse Agreement

8. The key terms of the Stalking Horse Agreement and the pertinent provisions of the Bidding Procedures for the Central Anadarko asset package include:

- Purchase Price of \$132,033,000.00 in cash;
- Minimum Bid of \$137,554,155.00 in cash;
- Minimum Overbid Increment of \$900,000.00 in cash;
- Breakup Fee of \$4,621,155.00 in cash; and
- Expense Reimbursement of up to \$2,500,000.00 in cash, which amount is included in the Breakup Fee.

The East Anadarko Stalking Horse Agreement

9. The key terms of the Stalking Horse Agreement and the pertinent provisions of the Bidding Procedures for the East Anadarko asset package include:

- Purchase Price of \$152,450,000.00 in cash;
- Minimum Bid of \$160,210,250.00 in cash;
- Minimum Overbid Increment of \$900,000.00 in cash;
- Breakup Fee of \$4,573,500.00 in cash; and
- Expense Reimbursement of up to \$2,286,750.00 in cash.

10. The Debtors respectfully request that the sale of the Permian Minerals, Central Anadarko, and East Anadarko asset packages, including with respect to the Permian Minerals Stalking Horse Agreement, the Central Anadarko Stalking Horse Agreement, and the East

Anadarko Stalking Horse Agreement, respectively, be conducted and approved in accordance with the Bidding Procedures attached as Schedule 1 to the Bidding Procedures Order and be incorporated into the Bidding Procedures Order in accordance with the revised order attached hereto as **Exhibit A**.

WHEREFORE, the Debtors respectfully request that the Court enter the revised Bidding Procedures Order, attached hereto as **Exhibit A**.

Dated: September 13, 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 sale procedures relief)
	)	Hearing Date: September 27, 2016 at 9:00 a.m.
	)	(solely with respect to sale procedures relief)

**NOTICE OF SUPPLEMENT TO 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 on September 13, 2016, the Debtors filed the *Supplement to Debtors’ Motion or 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 “Supplement”) with the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that any responses to the Motion or the Supplement solely with respect to the sale 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.**

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.

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 SALE PROCEDURES PORTION OF THE RELIEF REQUESTED BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI, UNITED STATES BANKRUPTCY JUDGE FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 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 AND THE SUPPLEMENT WITHOUT FURTHER NOTICE OR HEARING.

Dated: September 13, 2016
Wilmington, Delaware

/s/ Domenic E. Pacitti

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Co-Counsel for the Debtors and Debtors in Possession

Exhibit A

Revised 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

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.

(i) 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; (D) Saxet Minerals, LLC and Royalty Interests Partnership, LP, as to Permian Minerals; (E) Fairway Resources Partners III, LLC, as to Central Anadarko; and (F) Rebellion Energy, LLC, as to East Anadarko (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, (c) Resource Energy Can-Am LLC as the Stalking Horse Bidder for Williston, (d) Saxet Minerals, LLC and Royalty Interests Partnership, LP, as to Permian Minerals, (e) Fairway Resources Partners III, LLC, as to Central Anadarko, and (f) Rebellion Energy, LLC, as to East Anadarko; (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 hereto as **Schedule 2-A**, **Schedule 2-B**, **Schedule 2-C**, **Schedule 2-D**, **Schedule 2-E**, and **Schedule 2-F** 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 attached to this Order as **Schedules 2-A-F**, 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 attached to 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 executed in accordance with the terms of the Motion and this Order (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 in accordance with the terms of the Motion 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, (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, (iv) as to Permian Minerals, Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, TX 77002, Attn: William (Trey) A. Wood III, (v) as to Central Anadarko, Haynes and Boone, LLP, 301 Commerce Street, Suite 2600, Fort Worth, TX 76102, Attn: Stephen Pezanosky, and (vi) as to East Anadarko, Connor & Winters, LLP, 4000 One Williams Center, Tulsa, OK 74172, Attn: R. Kevin Redwine; (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

Parties):

- A. **Debtors.** Samson, Two West Second Street, Tulsa, Oklahoma 74103 Attn: 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;
 - \$31,700,000.00 in cash for the Permian Minerals;
 - \$160,210,250.00 in cash for East Anadarko; and
 - \$137,585,155.00 in cash for Central Anadarko (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 (ljohnbird@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); Michael J. Farnan (mfarnan@farnanlaw.com).

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;
- \$200,000.00 of the Permian Minerals;
- \$900,000.00 in cash for East Anadarko; and
- \$900,000.00 in cash for Central Anadarko (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;
- \$900,000.000 for the Permian Minerals;
- \$4,573,500.00 in cash for East Anadarko; and
- \$4,621,155.00 in cash for Central Anadarko

(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;
- up to \$600,000.00 for the Permian Minerals;
- \$2,286,750.00 in cash for East Anadarko; and
- \$2,500,000.00 in cash for Central Anadarko, which amount is included in the applicable Breakup Fee

(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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Co-Counsel for the Debtors and Debtors in Possession

Exhibit B

Permian Minerals Stalking Horse Agreement

ASSET PURCHASE AGREEMENT
DATED AS OF SEPTEMBER 9, 2016,
BY AND BETWEEN
SAMSON RESOURCES COMPANY,
GEODYNE RESOURCES, INC. AND
SAMSON LONE STAR, LLC
COLLECTIVELY, AS SELLER,
AND
SAXET MINERALS, LLC AND
ROYALTY INTERESTS PARTNERSHIP, LP,
COLLECTIVELY, AS BUYER

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of September 9, 2016 (the “Execution Date”), but effective for all purposes as of the Effective Date, is by and between Samson Resources Company, an Oklahoma corporation (“Samson”), Geodyne Resources, Inc., a Delaware corporation (“Geodyne”), and Samson Lone Star, LLC, a Delaware limited liability company (“SLS,” and collectively with Samson and Geodyne, “Seller”), each having an address of Samson Plaza, Two West Second Street, Tulsa, Oklahoma 74103, and Saxet Minerals, LLC, a Delaware limited liability company, and Royalty Interests Partnership, LP, a Texas limited partnership, whose address is 510 Bering Drive, Suite 600, Houston, Texas 77057 (collectively, “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, mineral interests, royalty interests 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 8.12.

“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.

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

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

“Alternative Transaction” has the meaning set forth in Section 2.8.

“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)(x).

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

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

“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.

“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.

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

“Bidding Procedures” means bid procedures in form and substance reasonably satisfactory to Buyer and Seller, 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 form and substance reasonably satisfactory to Buyer and Seller.

“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 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).

“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.

“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 a Deed 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. 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, easement, servitude, restrictive covenant, encroachment, encumbrance, third party interest 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 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)(vi).

“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, insofar as they relate to Seller’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 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 Excluded Assets or any of the Seller’s assets other than the Assets, or expressly excluded from the Assets pursuant to Section 2.1(b)(xiii).

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

“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 8.12.

“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.

“Holdback Amount” has the meaning set forth in Section 3.3.

“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.

“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)(xvi).

“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual or constructive knowledge 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. For purposes hereof, an individual has “constructive knowledge” of those matters which the individual involved could reasonably be expected to have as a result of undertaking an

investigation of such a scope and extent as a reasonably prudent Person would undertake concerning the particular subject 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)(xiv), which the Parties agree shall be updated two (2) 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. For the avoidance of doubt, the term “Lease” shall not include any Mineral Interest, Royalty Interest or Contract.

“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), 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 or Seller 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, 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 or Buyer with respect to the Assets of more than One Hundred Thousand Dollars (\$100,000) net to the interest of Seller during the current fiscal year (based solely on the terms thereof and without regard to any expected increase in volumes or revenues); (b) Hydrocarbon purchase and sale, exchange, marketing, compression, gathering, transportation, processing, refining or similar Assigned Contracts (in each case) to which Seller 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 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 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 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 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 conducts business, including areas of mutual interest; (f) any Assigned 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; and (g) any Assigned Contracts between the Seller, on one side, and any Affiliate of Seller, on the other.

“Mineral Interests” means the mineral fee interests, mineral rights and mineral servitudes described in Exhibit C-1.

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

“Net Revenue Interest” means, for any Well, Seller’s 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.

“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.

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

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

“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 7.7.

“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)(iv).

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

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

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

“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.

“Royalty Interests” means the royalty interests, overriding royalty interests, net profits interests, production payments and other rights of a similar nature described in Exhibit C-2.

“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 (as defined in the Sale Order), 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.

“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 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(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.

“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 and all other surface rights of Seller of any kind to the extent described on Exhibit C-4.

“Tax” or “Taxes” (and with correlative meaning, “Taxable” and “Taxing”) means (i) all taxes, assessments, fees and similar charges imposed by any Governmental Authority, including 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 and (ii) any liability in respect of any item described in clause (i) above that arises by reason of a contract, assumption, transferee or successor liability, operation of Law or otherwise.

“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).

“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)(iv).

“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 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 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.

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

- (i) the Mineral Interests;
- (ii) the Royalty Interests;
- (iii) all Leases (other than the Excluded Leases and Interests) described on Exhibit C-3 attached hereto, and those leasehold interests located in, under or that may be produced from or attributable to (1) the lands covered by the Leases described on Exhibit C-3 attached hereto, and (2) the Leases and lands included in any units with which

the Leases described on Exhibit C-3 or the lands covered thereby may have been pooled, unitized or communitized (collectively, the “Assigned Leases,” and together with the Mineral Interests and Royalty Interests, the “Assigned Leases and Interests”);

(iv) 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 abandoned, including those described on Exhibit D (collectively, the “Wells,” and together with the Assigned Leases and Interests, the “Properties”);

(v) all Hydrocarbons, and all proceeds attributable thereto, (1) in storage above a custody transfer point as of the Effective Date, provided that Seller shall receive all applicable upward adjustments to the Base Purchase Price pursuant to Section 8.11(a)(i), (2) produced from or attributable to the Properties and not yet past a custody transfer point on the Effective Date, and (3) produced on and after the Effective Date;

(vi) 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 (collectively, the “Equipment”);

(vii) all vehicles, office leases, field offices, storage yards, and data and software described on Schedule 2.1(b)(vii) (collectively, the “Miscellaneous Corporate Property”);

(viii) 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;

(ix) 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”);

(x) 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 other Asset (collectively, the “Assigned Contracts”);

(xi) all Surface Rights;

(xii) 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 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;

(xiii) all information, books, databases, files, records and data (other than the Excluded Records), whether in written or electronic format, relating directly to any Asset and 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 or which Seller have 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;

(xiv) all Known Receivables, 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 and all rights of Seller to audit the records of any Person and to receive refunds or payments of any nature to the extent relating to obligations assumed by Buyer pursuant to this Agreement;

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

(xvi) 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.

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;
- (c) subject to Section 2.1(b)(v), all Hydrocarbons produced from or attributable to the Properties prior to the Effective Date;
- (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;
- (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 (other than for Taxes, which shall be governed by clause (i)), 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, 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; and
- (q) any rights, claims or causes of action of Seller under this Agreement or any other Transaction Document.

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, excluding the Excluded Liabilities (collectively, the “Assumed Liabilities”):

(a) Assigned Contracts. All of Seller’s Liabilities under the Assigned Contracts, to the extent such Liabilities arise at or after the Effective Date, except such Liabilities that are satisfied or discharged by the payment of Cure Costs (including, for the avoidance of doubt, any Assigned Contracts for which the Cure Costs were set as \$0 and approved as such by virtue of the Sale Order or such other order authorizing the assumption and assignment of such Assigned Contracts).

(b) Properties. All of Seller’s 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 all of Seller’s other Liabilities relating to the Properties to the extent such Liabilities arise at or after the Effective Date.

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

(d) Other Assets. To the extent not already described in Section 2.3(a) through Section 2.3(c) above, all Liabilities arising from, related to or associated with the Assets, to the extent such Liabilities arise at or 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 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, 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:

- (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 (including Asset Taxes with respect to the Assets, other than Asset Taxes that are the responsibility of Buyer pursuant to Section 8.1(b)), including, for the avoidance of doubt, any income, franchise or similar Taxes imposed on Seller or any of its Affiliates;
- (e) those Actions and Proceedings 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 Cure Costs;
- (h) any claims to the extent related to the Excluded Assets; and
- (i) obligations under any futures contracts, options on futures, swap agreements or forward sale agreements entered into by Seller.

2.5 Cure Costs.

On or prior to the Closing, Seller shall pay, 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 and Assigned Leases and Interests (the “Cure Costs”) to which Seller is a party and which are included in the Assets.

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 an Asset, including causing such Asset, or the Assignment or Deed in regards thereto, 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 with a reduction to the Base Purchase Price equal to the Allocated Value of such Assets. 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 pay for, 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 (after giving effect to the Sale Order and the Bankruptcy Code), 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, subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer in attempting to obtain such Hard Consent, 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, 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 or (2) prohibit Seller from ceasing operations or winding up its affairs following the Closing.

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.

2.8 Alternative Transactions, Bid Protections.

Pursuant to the Bidding Procedures Order, as a result of the Auction, Seller may accept, the Bankruptcy Court may approve and Seller may close on an offer by a purchaser other than that made by Buyer for all or substantially all of the Assets (an "Alternative Transaction"). Notwithstanding anything herein to the contrary, if (a) Seller closes on an Alternative Transaction, (b) Buyer terminates this Agreement pursuant to any provision of Section 11.1(b) or (c) Seller or Buyer terminates this Agreement pursuant to Section 11.1(a)(iii), Section 11.1(a)(iv), Section 11.1(a)(v), or Section 11.1(a)(vi) 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, Seller will be obligated to pay Buyer (i) a break-up fee equal to Nine Hundred Thousand Dollars (\$900,000) and (ii) an expense reimbursement for the reasonable, documented out-of-pocket costs and expenses of Buyer (including expenses of counsel, investment bankers and other outside brokers and consultants (including those related to title, land and environmental diligence), and other legal expenses) related to negotiating this Agreement and/or investigating, diligencing and evaluating Seller and/or the Assets, in the aggregate not to exceed Six Hundred Thousand Dollars (\$600,000). Seller's obligation to pay such break-up fee and expense reimbursement shall survive the termination of this Agreement. Buyer is also entitled to additional bid protections as explicitly delineated in the Bidding Procedures Order.

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 Thirty Million Dollars (\$30,000,000);
- and
- (b) the assumption of the Assumed Liabilities.

Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Sections 8.10, 8.11 and 8.12 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 five (5) Business Days after the Parties' execution of this Agreement, 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 THREE MILLION AND NO/100 DOLLARS (\$3,000,000) (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 (less and except the Holdback 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), as Seller’s sole and exclusive remedy for such termination. 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.

3.3 Holdback Amount.

In the event that Closing occurs, the Escrow Agent shall hold in escrow, in accordance with the escrow agreement, an amount equal to Five Hundred Thousand Dollars (\$500,000) (the “Holdback Amount”), to be held until the date on which all disputes in respect of the Final Settlement Statement are finally resolved pursuant to Section 8.12. Within five (5) Business Days after the date on which all disputes in respect of the Final Settlement Statement are finally resolved, (a) to the extent the Final Settlement Statement results in an outstanding amount owed to Buyer from Seller, the Parties shall cause the Escrow Agent to (i) release such portion of the remaining Deposit to Buyer and (ii) to the extent any portion of the Deposit remains, release the outstanding Deposit to Seller and (b) to the extent the Final Settlement Statement results in an outstanding amount owed to Seller from Buyer, the Parties shall cause the Escrow Agent to release the entirety of the remaining Deposit to Seller.

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 cause the Escrow Agent to release the Deposit (less and except an amount equal to the Holdback 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) each other Transaction Document to which Buyer is a party, duly executed (and acknowledged, where applicable) by Buyer, including the Assignment, and letters-in-lieu of transfer orders;

(d) the certificates of Buyer to be received by Seller pursuant to Sections 10.1 and 10.3, duly executed by Buyer;

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

(f) 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

(g) 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, duly executed by Buyer.

4.4 Seller's Deliveries.

At the Closing, Seller shall deliver to Buyer:

(a) the Assignment, the Deed and each other Transaction Document to which Seller is a party (including letters-in-lieu of transfer orders and change of operator forms), 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, duly executed by Seller;

(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 each Seller (or if Seller is disregarded for federal income Tax purposes, its disregarded owner) is not a "foreign person" as defined therein;

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

(g) 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, duly executed by Seller.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as disclosed in the Disclosure Schedules attached hereto, each of Samson, Geodyne, and SLS, only as to itself and its applicable Assets, 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.

5.2 Authority; Validity; Governmental Authority Consents.

Seller 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 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 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 requisite Bankruptcy Court approval, 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 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, Seller is not 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 under (a) any agreement, indenture, or other instrument to which Seller is bound, (b) the certificate of incorporation, bylaws or other governing documents of Seller, (c) any Order or (d) any Legal Requirement.

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 is a party or by which its interests in the Assets are bound, (b) to Seller's Knowledge, all Material Assigned 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, and (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 Contracts has occurred or is continuing on the part of Seller or, to Seller's Knowledge, any other Person.

5.5 Permits.

As of the Execution Date, (a) Seller has not received written notice of default under any Permit and (b) to Seller's Knowledge, no violations exist in respect of such Permits, except as would not have a Material Adverse Effect.

5.6 Wells; Plug and Abandon Notice.

Except as set forth on Disclosure Schedule 5.6, there are no Wells in respect of which Seller has received an order from any Governmental Authority requiring that such Wells be plugged and abandoned.

5.7 Imbalances.

All Imbalances relating to the Assets are reflected in Disclosure Schedule 5.7 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 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 that are or will be binding on Buyer or the Assets at any time after the Closing Date.

5.10 Consents; Preferential Purchase Rights.

To Seller's Knowledge, Disclosure Schedule 5.10 lists all Hard Consents and Preferential Purchase Rights to which any Assets are subject, which would be triggered by or otherwise required to be obtained in connection with this Agreement and to which a notice or

request would be required under the terms thereof arising out of the Parties entering into this Agreement or consummating the transactions contemplated herein.

5.11 Intentionally Omitted.

5.12 Intellectual Property.

To Seller's Knowledge, except as set forth on Schedule 2.1(b)(xv) 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, Seller has filed all material Tax Returns required to be filed and each such Tax Return is true, correct and complete in all material respects, and Seller has timely paid all material Taxes that have become due and payable (whether or not shown on any such Tax Return as owing). Except as set forth on Disclosure Schedule 5.13, no examination of any such Tax Return of Seller is currently in progress by any Governmental Authority. There are no Encumbrances currently existing, pending or, to Seller's Knowledge, threatened with respect to any Assets attributable to any unpaid Taxes, other than current period Taxes not yet due and payable. Seller does not have in force any waiver of any statute of limitations in respect of Taxes or any extension of time with respect to a Tax assessment or deficiency relating to the Assets. No extension of time within which to file any Tax Return with respect to the Assets is currently in effect. None of the Assets is held by or is subject to any contractual arrangement between any 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 tax purposes and no transfer of any part of the Assets pursuant to this Agreement will be treated as a transfer of an interest or interests 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, there is no Proceeding or Order pending, outstanding or, to Seller's Knowledge, threatened against Seller that relates to the Assets or Seller's interest therein or seeks to restrain, impair, delay 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 No Take-or-Pay Obligations.

Except as set forth on Disclosure Schedule 5.15, 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.

5.16 Payments.

Except as set forth on Disclosure Schedule 5.16, all delay rentals, royalties, shut-in royalties, overriding royalties, compensatory royalties and other payments due with respect to

the Leases, in each case, to the extent attributable to the period of time prior to the Execution Date, have been properly and fully paid by Seller or, to Seller's Knowledge, the applicable Operator.

5.17 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.

5.18 Compliance with Laws.

(a) Seller's ownership and the operation of the Assets is in material compliance with all applicable Legal Requirements, and (b) all necessary permits, licenses, approvals, consents, certificates, and other authorizations with respect to the ownership and operation of the Assets have been obtained and maintained in full force and effect.

5.19 Maintenance of Records.

The Records have been maintained in the ordinary course of business, consistent with Seller's past practice, and Seller has not intentionally omitted any material information from the Records.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1 Organization and Good Standing.

Each Buyer is duly organized, validly existing and in good standing under the laws of the state of formation. 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 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.

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) any organizational documents 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, impair, delay 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.

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) provide Buyer's officers and other authorized Representatives reasonable access, during normal business hours until Closing, to the Assets and its 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 and Buyer shall have the right to copy, at Buyer's expense, any such records or materials; *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; *and provided further, however*, that if Closing does not occur for any reason, then Buyer shall promptly destroy all information and copies in Buyer's possession pursuant to this sentence. All requests for information made pursuant to this Section 7.1 shall be submitted in accordance with Section 13.3 or as mutually agreed between the Parties. 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 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. To the extent Seller withholds any such information or materials due to the foregoing clause (i), Seller shall provide notice of such withholding to Buyer along with reasonable detail as to the nature and type of information or materials withheld.

(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, UNLESS SUCH INJURY WAS OCCASIONED SOLELY BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SELLER PARTY.**

7.2 Operations Prior to the Closing Date.

Each of Samson, Geodyne, and SLS, only as to itself and its applicable Assets, 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 with prior written notice to Buyer, 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 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) maintain insurance coverage on the Assets in the amounts and of the types presently in force and not make any election to be excluded from any coverage provided by an operator for the joint account pursuant to a joint operating agreement; and

(vi) maintain all material governmental permits and approvals affecting the Assets.

(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 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 or grant or create any preferential right to purchase, right of first refusal, preferential purchase right, right of first negotiation, option, or transfer restriction or similar right, obligation, or requirement, with respect to the Assets; or

(v) 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 the operation of the Assets for which 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 under the applicable joint operating agreement or under applicable Law to cause the operator to comply with such covenant.

7.4 Reasonable Best Efforts.

From the Execution Date until Closing:

(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.

(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 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, including proposing, negotiating, committing to and effecting, by consent decree or otherwise, 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.

7.5 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 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, 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 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.

7.6 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-1, Exhibit C-2, Exhibit C-3, Exhibit C-4, 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 modification or amendment of any Contracts or Leases described on 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; provided, however, that for all purposes of this Agreement, including for purposes of determining whether any conditions to Closing have been satisfied, Seller's Disclosure Schedules shall be deemed to exclude all such information contained in any amendment, modification or supplement unless and until Closing occurs, then all matters disclosed pursuant to such amendment, modification or supplement at or prior to the Auction shall be deemed to be included in such Disclosure Schedules.

(c) Notwithstanding anything herein to the contrary, this Agreement may be terminated by Buyer at any time prior to Closing in the event Seller makes any material amendment, modification or supplement to any Exhibit or Schedule pursuant to Section 7.6(a)

or Section 7.6(b), unless Seller and Buyer reach mutual agreement as to any agreeable amendment or modification, if any, to the terms of this Agreement in lieu of such termination.

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 alternative transaction pursuant to the terms of the Bidding Procedures Order.

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 (i) Buyer's organizational documents, 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"), and that are not eliminated through the application of Section 1146(a) of the Bankruptcy Code, 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 and franchise 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 Asset Taxes that are attributable to the severance or production of Hydrocarbons, be allocated to the period ending on or before the Effective Date (which shall be Seller's responsibility) and the period from and after the Effective Date (which shall be Buyer's responsibility) based on when the severance or production giving rise to such Asset Taxes occurred; (2) in the case of such Asset Taxes that are based upon or related to income or receipts (other than those described in clause (1)) 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 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 (2) 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 and for purposes of determining Purchase Price adjustments, 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 that are not required to be paid until after the Closing 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 the Closing.

(c) 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 allocable to the Reimbursing Party pursuant to Section 8.1(b), 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 8.10(a)(ii) or Section 8.10(b)(iii), as applicable). Unless otherwise provided in Section 8.1(b), 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(c) 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.

(d) 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(d) 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 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.

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 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 7.4 or this Section 8.4(a)) to provide any assistance with respect to the preparation of any financial information.

(b) 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 or Assigned Leases and Interests, to the extent described on Schedule 8.4(c) (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. 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.

8.5 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 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 8.6, 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.

8.6 No Other Representations or Warranties; Disclaimers; NORM.

(a) **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT BUT EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS**

AGREEMENT AND IN THE TRANSACTION DOCUMENTS, (I) 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) AND (II) 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. 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.

8.7 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 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 only upon or after the Closing of the transaction 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 WILLFUL MISCONDUCT OF SELLER OR ANY MEMBER OF SELLER GROUP.**

8.8 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 (if any). 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.

8.9 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.

8.10 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, 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) 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, Asset Taxes (as determined pursuant to Section 8.1(b)) 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; (iv) all cash call pre-payment amounts set forth on Schedule 8.10(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 any proceeds received by Seller from any oil, gas or hydrocarbon lease (including any rentals, royalties, option or extension payments) of any Assets (x) executed on or after the Effective Date, whenever such proceeds are received or (y) to the extent such proceeds are received after the Effective Date, whenever such lease was executed; (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, Asset Taxes (as determined pursuant to Section 8.1(b)) and other charges and expenses billed under applicable operating agreements or governmental statute(s)) which are not paid by Seller prior to Closing, 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) as a consequence of any Assets not transferred to Buyer at Closing as contemplated in Section 2.6 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 Net Revenue Interest in the Wells as of the Effective Date multiplied by the then-current market value for any such gas or oil applicable to production from such Well (upward for underage and downward for overage); 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).

8.11 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 8.12 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.

8.12 Adjustment Post Closing.

On or before sixty (60) 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 sixty (60) day period, either Party may, within thirty (30) days after the end of such period, submit the disputed items to RSM US LLP or another 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 RSM US LLP is unable or unwilling to serve as the Accounting Referee and the Parties are unable to agree upon the designation of a Person or entity as substitute 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 8.12 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. After taking into consideration any portion of the Deposit released to Seller or Buyer pursuant to Section 3.3, any remaining 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.

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 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, 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 (a) be in full force and effect, (b) not have been modified, amended, rescinded or vacated in any material respect, and (c) not be subject to a stay pending appeal.

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 (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 announce any stand-alone plan of reorganization or liquidation (or support 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, where 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) an Alternative Transaction or an agreement to sell, transfer or otherwise dispose of all or substantially all of the Assets in a transaction 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; or

(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 tenth (10th) 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)).

(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; or

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

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 (other than Section 3.2); *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.

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 covenants and agreements of Seller in Sections 2.4, 2.6, 2.7, 2.8, 7.4(a) and (b), 8.1 and 8.12 (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 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, 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 (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. 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 1, 2016 (the "Non-Disclosure Agreement"), shall continue in full force and effect, notwithstanding the execution and delivery by the Parties of this Agreement, for a period of time ending six (6) months after the earlier to occur of (i) Closing or (ii) the termination 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 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
Geodyne Resources, Inc.
Samson Lone Star, LLC
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
Geodyne Resources, Inc.
Samson Lone Star, LLC
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:

Saxet Minerals, LLC
510 Bering Drive
Suite 600
Houston, Texas 77057
Attn: Robert E. O'Brien
Phone: (713) 243-8400
E-mail: robrien@saxetpetroleum.com

Royalty Interests Partnership, LP
510 Bering Drive
Suite 600
Houston, Texas 77057
Attn: Robert E. O'Brien
Phone: (713) 243-8400
E-mail: robrien@saxetpetroleum.com

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

Bracewell LLP
711 Louisiana Street
Suite 2300
Houston, Texas 77002
Attn: William (Trey) A. Wood III
Email: trey.wood@bracewelllaw.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. 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, Buyer shall have the right, without requiring the written consent of Seller, to assign all or an undivided portion of its rights and obligations under this Agreement to an Affiliate of Buyer provided that (a) Buyer shall provide Seller prompt written notice of any such assignment, (b) any such Affiliate to whom an assignment is made shall assume the rights and obligations of Buyer hereunder in proportion to the undivided interest assigned to such Affiliate, (c) the original Buyer hereunder shall be jointly and severally liable with each Affiliate to whom an assignment is made for the performance of the duties and obligations of Buyer hereunder, as to the rights and obligations assumed by each such Affiliate and (d) to the extent Buyer assigns its rights and obligations hereunder to more than one Affiliate, each such Affiliate shall each be severally, and not jointly and severally, responsible for such Buyer's respective obligations under this Agreement and each Transaction Document to which Buyer is a party, in proportion with each Buyer's percentage undivided interest set forth in such an assignment.

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, except for the Committee as set forth herein.

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 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 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.

13.16 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.

13.17 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. 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 or (b) by such other time period established by the court presiding over such action, as the case may be.

13.18 Liability of Seller and Buyer.


Saxet Minerals, LLC and Royalty Interests Partnership, LP shall each be severally, and not jointly and severally, responsible for such Buyer's respective obligations under this Agreement and each Transaction Document to which Buyer is a party, in proportion with each Buyer's percentage undivided interest set forth in the Assignment. Similarly, Samson, Geodyne, and SLS shall each be severally, and not jointly and severally, responsible for such Seller party's respective obligations under this Agreement and each Transaction Document to which Seller is a party.

[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.

SELLER:


SAMSON RESOURCES COMPANY

By: 

Name: Andrew C. Kidd

Title: President, Chief Executive Officer, and General Counsel


GEODYNE RESOURCES, INC.

By: 

Name: Andrew C. Kidd

Title: President, Chief Executive Officer, and General Counsel

SAMSON LONE STAR, LLC

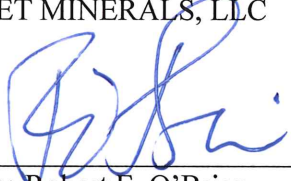
By: 

Name: Andrew C. Kidd

Title: President, Chief Executive Officer, and General Counsel

BUYER:

SAXET MINERALS, LLC

By: 
Name: Robert E. O'Brien
Title: Manager

ROYALTY INTERESTS PARTNERSHIP, LP

By: RIP GP LLC, its general partner

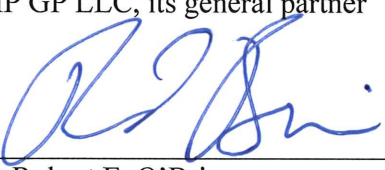
By: 
Name: Robert E. O'Brien
Title: Manager

Exhibit C

Central Anadarko Stalking Horse Agreement

ASSET PURCHASE AGREEMENT

DATED AS OF SEPTEMBER 13, 2016,

BY AND BETWEEN

SAMSON RESOURCES COMPANY,

AS SELLER,

AND

FAIRWAY RESOURCES PARTNERS III, LLC,

AS BUYER

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of September 13, 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 Fairway Resources Partners III, LLC, a Delaware limited liability company, whose address is 538 Silicon Drive, Suite 101, Southlake, Texas 76092 (“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 Sale 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) Denham Capital Management LP and all private equity funds, portfolio companies, parallel investment entities, and alternative investment entities owned, managed, or Controlled by Denham Capital Management LP shall not be considered or otherwise deemed to be an “Affiliate” of Buyer.

“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)(ix).

“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 those bid procedures attached as Schedule 1 to Exhibit A of that certain 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, filed as Document No. 1322 in the Bankruptcy Case.

“Bidding Procedures Order” means an Order entered by the Bankruptcy Court approving the Bidding Procedures.

“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 Fairway Resources Operating III, LLC, a Delaware limited liability company and wholly-owned subsidiary 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 Post-Closing Covenant” has the meaning set forth in Section 12.2.

“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(e).

“COBRA Coverage” has the meaning set forth in Section 8.5(e).

“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.

“Defensible Title” means that title which, as of the Effective Date, and subject to any Permitted Title Encumbrances: (a) entitles Seller and the Transferring Subsidiaries, in the aggregate, to receive and retain a Net Revenue Interest for the applicable 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 or 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 or its successors or assigns, (ii) that also results in at least a proportional increase in Net Revenue Interest associated with the Well, and (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; (c) with respect to any Lease that is included in the Assigned Leases and Interests, entitles Seller and the Transferring Subsidiaries, in the aggregate, as to any period or periods during the duration of the term of each such Lease, to not less than the Net Acres set forth for such Lease on Exhibit C; and (d) as to all Assets, is free and clear of all Encumbrances.

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

“Effective Date” means 12:00 a.m., Central Daylight Time, on July 1, 2016.

“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 the presence of Hazardous Substances impacting an Asset that causes the Asset to be in excess of remediation standards established under Environmental Law or to not be in compliance with the terms of the relevant lease or other agreements applicable to such Asset, (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 or (c) the existence of operations on the Execution Date or Closing Date with respect to an Asset that is not in compliance with 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) human health (as it relates to the environment), (c) the protection of the environment or (d) the protection of 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)(v).

“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 Contracts Rejection Budget” has the meaning set forth in Section 2.5.

“Excluded Contracts Rejection Costs and Expenses” has the meaning set forth in Section 2.5.

“Excluded Contracts Rejection Liabilities” has the meaning set forth in Section 2.5.

“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 to the extent privileged or constituting attorney work product or attorney-client communications (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, except when consents are received to assign or disclose, (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.

“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.

“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 Legal Requirement, 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 Legal Requirement.

“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,” “chemical,” “constituents,” “hazardous waste,” “hazardous material” or “hazardous substance” under any Environmental Laws; Hazardous Substance includes without limitation, crude oil, petroleum and any fraction thereof.

“Hydrocarbons” means oil, gas, minerals, casinghead gas, coalbed methane, and other gaseous and liquid hydrocarbons, or any combination of the foregoing, sulfur extracted from hydrocarbons, 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).

“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.

“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, including without limitation, those items specifically listed on Schedule 2.1(b)(xiii). 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, rights to reassignment and rights derived from pooling or unitization.

“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 a 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 One Hundred Fifty Thousand Dollars (\$150,000) 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)(vi).

“Net Acres” means, with respect to a Lease included in the Assigned Leases and Interests, the undivided interest of Seller and the Transferring Subsidiaries, in the aggregate, in the leasehold estate created by the applicable Lease multiplied by the number of acres covered

by the Lease multiplied by lessor's percentage interest in the oil and gas mineral estate in the land covered by the Lease.

"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 Legal Requirement, (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 Legal Requirement, 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)(viii).

"Permitted Sale 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 Sale 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 Legal Requirements 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.

“Permitted Title Encumbrance” means any of the following: (a) 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; (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 (c) shall not excuse Seller from complying with its obligations to execute the Governmental Transfer Documents); (d) calls on Hydrocarbon production under any Assigned Contracts; (e) 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; (f) 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; (g) subject to Section 8.10, Preferential Purchase Rights; (h) such other Encumbrances, if any, as Buyer may have agreed to accept in writing; (i) the terms and conditions of all Contracts affecting the Assets, including the 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; (j) 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; (k) any rights, obligations, or duties reserved to or vested in any municipality or other Governmental Authority to regulate any Asset in any manner including all applicable Legal Requirements; (l) any consent applicable to the transactions contemplated hereby; (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) arising out of lack of corporate authorization or a variation in corporate name, (3)

consisting of the failure to recite marital status or omissions of heirship proceedings in documents, (4) resulting from lack of survey or failure to record releases of liens, production payments or mortgages that have expired by their own terms, (5) arising out of improper or incomplete acknowledgment, witness or attestation, or (6) arising out of prior oil and gas leases that (Y) 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, or (Z) have not expired by their terms, but for which, as of the Execution Date, no bona fide third party claim has been made; (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; (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 or trusts arising in connection with workers' compensation, unemployment insurance or pension; (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.

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

"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)(xii).

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

“Release” means the depositing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, migrating, dispersing, leaching, dumping or disposing.

“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 Sale 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.

“Schedule Supplement” has the meaning set forth in Section 7.5(b).

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

“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 H, 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 that are listed on Disclosure Schedule 5.11.

“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, a Delaware limited liability company, and Geodyne Resources, Inc., a Delaware corporation.

“Treasury Regulations” means the rules and regulations promulgated by the U.S. Treasury Department.

“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 Sale 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 Imbalances owing to Seller and/or the Transferring Subsidiaries and relating to the Properties as of the Effective Date, listed on Disclosure Schedule 5.7;

(v) 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)(v) (collectively, the “Equipment”);

(vi) (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)(vi), and (ii) all office leases, field offices, storage yards, and data and software described on Schedule 2.1(b)(vi) (collectively, the “Miscellaneous Corporate Property”);

(vii) 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)(vii);

(viii) 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");

(ix) all Contracts described on Exhibit E attached hereto, in each case, insofar as they relate to any other Asset (collectively, the "Assigned Contracts");

(x) all Surface Rights;

(xi) 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;

(xii) 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 (1) 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, and any cores or cuttings (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;

(xiii) 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;

(xiv) all Intellectual Property (except as expressly excluded on Schedule 2.2(t)), including without limitation, those items more particularly described on Schedule 2.1(b)(xiv); and

(xv) 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.

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, in each case, including the accounts containing the Suspense Funds, but excluding 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 Excluded Asset or the Excluded Liabilities and not required for Buyer's ownership and operation of the Assets;

(l) [Intentionally Omitted];

(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 that cannot be extinguished pursuant to the Sale Order.

(c) Cure Costs. Those Cure Costs incurred after the Effective Date, but only to the extent such Cure Costs also qualify as Operating Expenses arising after the Effective Date, and in no event in an aggregate amount greater than \$50,000.

(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) Imbalances. All Liabilities related to Imbalances relating to the Properties as of the Effective Date, listed on Disclosure Schedule 5.7.

(j) 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, arising after the Closing Date.

(k) Excluded Contracts Rejection Liabilities. To the extent applicable, the Excluded Contracts 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 that are extinguished pursuant to the Sale Order shall not be Assumed Liabilities.

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 the negligence, gross negligence or willful misconduct of Seller or any of its Affiliates or any contractor of Seller or any of its Affiliates 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. Notwithstanding anything in this Section 2.5 to the contrary, at any time until the Closing Date, Buyer shall have the right to re-designate any Excluded Contract as an Assigned Contract, and upon such designation the applicable re-designated Excluded Contract shall constitute an Assigned Contract and shall cease to constitute an Excluded Contract. Unless an Excluded Contract is re-designated as an Assigned Contract pursuant to the preceding sentence, Seller agrees to seek to reject the Excluded Contracts. Prior to the date of the Auction or such later date agreed to by the Parties, the Parties shall use commercially reasonable efforts to agree upon a budget (the "Excluded Contracts Rejection Budget") for the 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 Excluded Contracts (the "Excluded Contracts Rejection Costs and Expenses"). Buyer shall be responsible (and agrees to promptly reimburse Seller) for all Excluded Contracts Rejection Costs and Expenses up to, but not to exceed, the amount set forth in the Excluded Contracts Rejection Budget (the "Excluded Contracts Rejection Liabilities"). In the event the Parties are unable to agree upon the Excluded Contracts Rejection Budget, or in the event of a Bankruptcy Court order denying rejection of an Excluded Contract 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 such Excluded Contract. Notwithstanding the provisions set forth in this Section 2.5, the Parties agree and acknowledge that rejection or attempted rejection of an Excluded Contract 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.

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 \$132,033,000.00 (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 five (5) Business Days 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 \$13,203,300.00 (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, together with any interest and other earnings thereon, to Seller, and the Deposit, together with any interest and other earnings thereon, 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, together with any interest and other earnings thereon, to Buyer within two (2) Business Days of such termination, free and clear of any claims by Seller with respect thereto. 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; *provided, however*, that a Party entitled to remedies hereunder shall be required to elect between the liquidated damages provided for in this Section 3.2 and specific performance under Section 13.15. For the avoidance of doubt, once a Party makes an election to pursue either liquidated damages under this Section 3.2 or specific performance under Section 13.15, such Party shall waive the right to pursue the other remedy and be precluded from pursuing such alternate remedy.

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 (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 certificate of good standing of Buyer issued as of a recent date by the Secretary of State of the State of Delaware;

(e) 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;

(f) 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), 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's (or Buyer Operator's (as applicable)) 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 (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(i);

(j) if desired by Buyer, a counterpart of a transition services agreement, in form and substance mutually agreeable to the Parties; and

(k) 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 (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), 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) 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;

(h) if requested by Buyer, a counterpart of a transition services agreement, in form and substance mutually agreeable to the Parties; 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. The cost of transporting the Records to Buyer’s possession shall be borne entirely by Buyer.

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 or any other material matter, including the closing of the transactions contemplated hereby, which 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)(xiv) 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”). With respect to each Benefit Plan that is a “group health plan” (as defined in Section 4980B(g) of the Code), Disclosure Schedule 5.16 sets forth a list of the names and contact information for each Applicable Employee who, as of the Closing Date: (1) is currently receiving health care continuation coverage under COBRA, (2) is eligible to receive health care continuation coverage under COBRA and with respect to whom the “election period” (as defined in Section 4980B(f)(5) of the Code) has not expired, or (3) will otherwise be an “M&A Qualified Beneficiary” (as such phrase is defined in Section 54.4980B-9, Q&A-4 of the Income Tax Regulations) in connection with the transaction contemplated by this Agreement.

(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 Legal Requirements.

Except as set forth in Disclosure Schedule 5.21, neither Seller nor any of its Subsidiaries or Affiliates has received written notice that it is in violation of any applicable Legal Requirement (excluding Environmental Laws) in any material respect with respect to its ownership or operation of the Assets. The operation of that portion of the Assets for which Seller or any of its Subsidiaries or Affiliates serves as operator is in, and has been in, compliance with all applicable Legal Requirements (excluding Environmental Laws) in all material respects. To Seller's Knowledge, the operation of that portion of the Assets for which Seller or any of its Subsidiaries or Affiliates does not serve as operator is in, and has been in, compliance with all applicable Legal Requirements (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.

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. Seller and/or the Transferring Subsidiaries have all Permits required under Environmental Law for the operations of the Assets. No Proceeding is pending, threatened or planned to modify, terminate or revoke any such Permits. Neither Seller nor any Transferring Subsidiary has received any written, or to Seller's Knowledge other, notice of any Proceeding (either pending or threatened) related to any of the Assets under any Environmental Law. To Seller's Knowledge, there has been no Release or threatened Release of any Hazardous Substances on, at, to or from the Assets that could result in a material liability under 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 or control 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".

5.28 Non-Consent Operations.

Except as set forth on Exhibit D, no operations are being conducted or have been 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 Seller's rights have not yet reverted to it.

5.29 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.

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, as applicable) 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(i) 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 unreasonably 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; PROVIDED, HOWEVER, THAT BUYER HAS NO DUTY TO DEFEND, RELEASE, INDEMNIFY OR HOLD HARMLESS ANY SELLER PARTY FOR THE DISCOVERY OF ANY PREEXISTING CONDITION.**

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 and shall cause the Transferring Subsidiaries to:

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

(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 or a Transferring Subsidiary 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 or a Transferring Subsidiary, 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 in writing and obtain Buyer's approval in writing 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, including Equipment, comprising any part of the Assets operated by Seller or a Transferring Subsidiary in good condition and repair consistent with its condition and repair on the date hereof, subject only to ordinary wear and tear;

(v) maintain its relationships and contracts with and preserve the goodwill of its key service providers;

(vi) pay all Taxes and assessments with respect to the Assets that became due and payable prior to the Closing Date or that relate to periods prior to the Closing Date, other than with respect to Taxes and assessments contested by Seller in good faith, written notice of which have been received by Buyer;

(vii) provide written notice to Buyer of any notices, requests or proposals to or from a Third Party or Governmental Authority, including under any Order, contract, commitment or agreement, that relates to any Asset or to the operation of any Assets, and that would require Seller or a Transferring Subsidiary to take or refrain from taking any actions relating to the Assets or to the operation of the Assets or that contains provisions under which Seller's or a Transferring Subsidiary's failure to act or elect would result in an election not to participate in any proposed Well; provided, that after such written notice is given by Seller to Buyer, Seller shall take, or cause to be taken, all actions, and to do, or cause to be done, all things that Buyer reasonably directs Seller or a Transferring Subsidiary to take or do;

(viii) perform all other land and accounting services as would a reasonably prudent operator to maintain the Assets;

(ix) 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

(x) maintain insurance coverage on the Assets in the amounts and types currently in force.

(b) Seller shall not and shall cause the Transferring Subsidiaries not to:

(i) abandon, dispose of, or relinquish 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 One Hundred Thousand Dollars (\$100,000) 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) (A) waive, compromise or settle any Proceeding or (B) violate, breach or default under any material right, in each case, that could reasonably be expected to adversely affect Buyer's interest in, ownership or use of, and ability to operate, the Assets after Closing;

(vi) take any affirmative action that would result in any of the Assets becoming subject to any (A) new Encumbrance, (B) restriction on operation or use, or (C) additional claim, obligation or Liability, in each case, that could reasonably be expected to adversely affect Buyer's interest in, ownership or use of, and ability to operate, the Assets after Closing;

(vii) enter into any Lease, Mineral Interest, or any Contract that would be a Material Contract, or that would have payments by or result in revenues to any of the Transferring Subsidiaries, Seller or Buyer in excess of One Hundred Thousand Dollars (\$100,000), and that, in each case would be, the responsibility of Buyer after Closing, in each case, other than in ordinary course of business (for the avoidance of doubt, the Parties acknowledge and agree that any Contract entered into by any Seller for the purchase or sale of Hydrocarbons is considered to be in the ordinary course of business);

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

(ix) without the consent of Buyer, make any non-consent election or otherwise fail to timely elect to participate in any operation related to any Well or Lease; or

(x) 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 date that is five (5) Business Days prior to Closing, Seller shall amend, modify and/or supplement its Disclosure Schedules with respect to any matters discovered or occurring subsequent to the Execution Date that have caused or would be reasonably likely to cause any representation or warranty of Seller or any Transferring Subsidiary to be untrue or inaccurate in any respect when made (each, a "Schedule Supplement").

Each Schedule Supplement shall specify the representation or warranty so affected and include supplement disclosure schedules to the extent such supplemental disclosure would have been required to be set forth or described in the schedules referenced in Article 5 and delivered as of the Execution Date or is necessary to correct any information in such schedules or in any representation or warranty of Seller or any Transferring Subsidiary which has been rendered inaccurate. Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement or of determining whether or not the conditions set forth in Article 9 have been satisfied.

(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 or Lease 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 or Lease 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 (ii) any agreements with a third Person directly relating to 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 use commercially reasonable best efforts to, and cooperate in good faith to, exempt the sale and transfer of the Assets from Transfer Taxes, including under Section 1146(a) of the Bankruptcy Code, and in demonstrating that the requirements for such exemptions, 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 Legal Requirement. 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, if 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 Legal Requirement 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 the 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 E (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, on such terms and conditions as Buyer or Buyer Operator may, in its sole discretion, determine. Those Applicable Employees who accept an offer of employment made pursuant to this Section 8.5(a) and commence working for Buyer or Buyer Operator 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 or Buyer Operator. 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 on such terms and conditions as Buyer or Buyer Operator may, in its sole discretion, determine, and, *provided* that such individual accepts such 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) WARN Act. Seller shall have full responsibility for all WARN Act Liabilities relating to the periods prior to the Closing Date and, with respect to all employees of Seller or any of its Affiliates or Subsidiaries who are not Transferred Employees, for all periods after the Closing Date. Buyer (or Buyer Operator, as applicable) shall have full responsibility for all WARN Act Liabilities relating to the Transferred Employees for periods on or after the Closing Date.

(c) 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, without limitation, hourly pay, commission, bonus, salary, severance, fringe, pension, profit sharing or other benefits or pay for any period relating to service with Seller or any Affiliate or Subsidiary

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 of Seller's Subsidiaries or Affiliates. Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

(d) 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.

(e) 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). 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, IT BEING UNDERSTOOD THAT 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 express representations and warranties of Seller contained in this Agreement and the other 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 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 Sale 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, set forth on Schedule 2.1(b)(xiii), 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 \$450.00 for each Well operated by Seller per month (or prorated portion thereof) for the period from the Effective Date to the Closing Date; (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 listed on Schedule 2.1(b)(xiii) under Section 8.11(a)(iii) shall be calculated as follows: (i) 100% of the value of all Known Receivables listed on Schedule 2.1(b)(xiii) 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 listed on Schedule 2.1(b)(xiii) 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 listed on Schedule 2.1(b)(xiii) 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 listed on Schedule 2.1(b)(xiii) 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 of or inaccuracy in 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; *provided* that Buyer's failure to timely notify Seller of such breach or inaccuracy shall not constitute a waiver of such breach or inaccuracy.

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 such terminating Party;

(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 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 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 (A) Buyer is the Backup Bidder and Seller does not close the transactions contemplated by this Agreement with Buyer by the Outside Date, or (B) Buyer is not the Successful Bidder; or

(iii) 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 (other than Seller's obligation to pay the Expense Reimbursement and the Break-Up Fee provided for in Section 11.3 below) 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) an amount 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 \$2,500,000 (the “Expense Reimbursement”), and (ii) a termination fee equal to 3.5% of the Purchase Price, less any Expense Reimbursement that has been paid to Buyer (the “Break-Up Fee”).

(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

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 (c), 7.5(c) and (d), 8.1, 8.2, 8.5, 8.6, and 8.13 and Article 13 (each a "Seller Post-Closing Covenant"), which shall survive the Closing until the earlier of (a) performance of such Seller Post-Closing Covenant in accordance with this Agreement or, (b)(i) if time for performance of such Seller 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 Seller 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 Seller Post-Closing Covenant; *provided* that if a written notice of any claim with respect to any Seller Post-Closing Covenant is given prior to the expiration thereof then such Seller 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 in Article 6 of this Agreement and in any certificate or other Transaction Document 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 covenants and agreements of Buyer in Sections 2.4, 2.5, 2.6, 2.7, 4.5, 7.3(a) and (c), 7.5(c) and (d), 8.1, 8.2, 8.5, 8.6, and 8.13 and Article 13 (each a "Buyer Post-Closing Covenant"), which shall survive the Closing until the earlier of (a) performance of such Buyer Post-Closing Covenant in accordance with this Agreement or, (b)(i) if time for performance of such Buyer 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 Buyer 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 Buyer Post-Closing Covenant; *provided* that if a written notice of any claim with respect to any Buyer Post-Closing Covenant is given prior to the expiration thereof then such Buyer Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

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:

Fairway Resources Partners III, LLC
538 Silicon Drive, Suite 101
Southlake, Texas 76092
Attention: Matthew A. Eagleston, President & CEO
Telephone: (817) 416-1946
Email: meagleston@fairwayresources.com

with copies (which shall not constitute notice) to:

Haynes and Boone, LLP
301 Commerce Street, Suite 2600
Fort Worth, Texas 76102
Attn: Stephen Pezanosky
Phone: (817) 347-6601
E-mail: stephen.pezanosky@haynesboone.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 (a) Buyer shall be permitted, upon prior notice to Seller, to assign all or part of its rights or obligations hereunder to one or more of its Affiliates, but in so doing, Buyer shall remain liable for its obligations under this Agreement through the Closing Date, and (b) 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. Notwithstanding the foregoing, Buyer may assign its obligations in Section 8.6 to any Third Party who agrees to assume such obligations.

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. Except as expressly stated in Section 3.2 or any other section of 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 and shall perform the obligations 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; provided, however, that (i) the provisions in Section 11.1(a)(iii), establishing an Outside Date, and Section 11.3, relating to payment of the Expense Reimbursement and the Break-Up Fee, shall be effective upon the Bankruptcy Court’s entry of the Bidding Procedures Order, and (ii) the provision of Section 9.5, relating to the form and content of the Bidding Procedures and the Bidding Procedures Order, shall be effective and binding on Seller upon entry of the Bidding Procedures 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

FAIRWAY RESOURCES PARTNERS III, LLC

By: _____
Name: Matthew A. Eagleston
Title: President & CEO

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

FAIRWAY RESOURCES PARTNERS III, LLC

By:  _____

Name: Matthew A. Eagleston

Title: President & CEO

Exhibit D

East Anadarko Stalking Horse Agreement

ASSET PURCHASE AGREEMENT
DATED AS OF SEPTEMBER 13, 2016,
BY AND BETWEEN
SAMSON RESOURCES COMPANY,
AS SELLER,
AND
REBELLION ENERGY, LLC,
AS BUYER

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of September 13, 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 Rebellion Energy, LLC, a Delaware limited liability company, whose address is 5416 S. Yale, Suite 300, Tulsa, Oklahoma 74135 (“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 8.14.

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

“Adjustment Holdback Amount” means one percent (1%) of Base Purchase Price.

“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. shall not be considered or otherwise deemed to be an

“Affiliate” of Seller. For the avoidance of doubt, Subsidiaries of Seller shall be “Affiliates” of Seller 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 a sale or other transaction involving the conveyance of all or substantially all of the Assets to anyone other than Buyer or its assignees.

“Applicable Employees” means those employees of Seller and its Subsidiaries that are listed on Schedule 8.5.

“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)(ix).

“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.

“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.

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

“Bidding Procedures” means those bid procedures attached as Schedule 1 to Exhibit A of that certain Debtors’ Motion for Entry of an Order (i) Establishing Bidding Procedures and Granting Relief and (ii) Approving the Sale of Certain Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, filed as Document No. 1322 in the Bankruptcy Case.

“Bidding Procedures Order” means an Order entered by the Bankruptcy Court approving the Bidding Procedures.

“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.

“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 Date 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).

“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.

“Contract Notice” has the meaning set forth in Section 2.5(b).

“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” means correction of a condition in a manner such that a reasonable person in the oil and gas industry would no longer consider the condition, as corrected, to constitute a breach of Seller’s representations and warranties set forth in Sections 5.20 or 5.21, as applicable.

“Cure Adjustment Threshold” has the meaning set forth in Section 2.5(c).

“Cure Costs” has the meaning set forth in Section 2.5(a).

“Cure Schedule” has the meaning set forth in Section 2.5(b).

“Defensible Title” means that title which, as of the Effective 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 the applicable 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 or 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 or its successors or assigns, (ii) that also results in at least a proportional increase in Net Revenue Interest associated with the Well, 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; (c) with respect to the Assigned Leases and Interests, (i) entitles Seller, as to any period or periods during the duration of the term of each such Lease, to not less than the Net Acres set forth for such Lease on Exhibit C, and (ii) entitles Seller to receive, as to any period or periods during the duration of the term of such Lease, the Net Revenue Interest from such Lease, which is not less than the Net Revenue Interest set forth on Exhibit C with respect to such Lease; and (d) is free and clear of all Encumbrances.

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

“Designation Deadline” means the Bid Deadline, as such term is defined in the Bidding Procedures Order.

“Disclosure Schedule” has the meaning set forth in Article 5.

“Effective Date” means 12:00 a.m. on July 1, 2016.

“Encumbrance” means any charge, lien, claim, cause of action, mortgage, lease, sublease, hypothecation, deed of trust, pledge, security interest, option, right of use or possession, right of first offer or first refusal, right to setoff, successor liability, easement, servitude, restrictive covenant, encroachment, encumbrance, third party interest 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 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 and safety, 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)(v).

“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 to the extent privileged or constituting attorney work product or attorney-client communications (other than title opinions), (c) Seller’s and the Transferring Subsidiary’s 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, except when consents are received to assign or disclose, (h) privileged information 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)(xii).

“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 Article 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 expenses) related to negotiating this Agreement and investigating Seller and the Assets in the aggregate up to a maximum amount of 1.5% 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 Article 11.

“Exhibit Supplement” has the meaning set forth in Section 7.5(a).

“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 8.14.

“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,” “chemical,” “constituents,” “hazardous waste,” “hazardous material” or “hazardous substance” under any Environmental Laws.

“Hydrocarbons” means oil, gas, minerals, casinghead gas, coalbed methane, and other gaseous and liquid hydrocarbons, or any combination of the foregoing, sulfur extracted from hydrocarbons, 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.

“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 from a third-party 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)(xiv).

“Knowledge” means, with respect to any matter in question, (a) in the case of Seller, the actual or constructive knowledge 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. For purposes hereof, an individual has “constructive knowledge” of those matters which the individual involved could reasonably be expected to have as a result of undertaking an investigation of such a scope and extent as a reasonably prudent Person would undertake concerning the particular subject matter (including discussions with the direct reports of such Person).

“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)(xiii), which the Parties shall agree to as of the date hereof and shall be updated as agreed to by the Parties two (2) Business Days prior to the Closing Date.

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

“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), 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 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 a Disclosure Schedule to this Agreement.

“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 One Hundred and Fifty Thousand Dollars (\$150,000) net to the interest of Seller (and/or the Transferring Subsidiaries) or of Buyer, on a pro forma basis, during the current 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 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 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 obligate Buyer, individually or in connection with a third party, 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 between Seller (and/or any Transferring Subsidiary), on the one hand, and any Affiliates of Seller (and/or any Transferring Subsidiary), on the other hand, or which provides 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 Assigned Contract that constitutes a joint or unit operating agreement; and (h) any Assigned Contract that constitutes a farmout agreement, partnership agreement, participation agreement, joint venture agreement, or similar Contract under which Seller or any of its Subsidiaries is a party.

“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, without limiting the foregoing, 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)(vi).

“Net Acres” means, with respect to a Lease included in the Properties, the undivided interest of Seller in the leasehold estate created by the applicable Lease multiplied by the number of acres covered by the Lease multiplied by lessor’s percentage interest in the oil and gas mineral estate in the land covered by the Lease.

“Net Revenue Interest” means, for any Property, 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.

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

“Party Affiliate” has the meaning set forth in Section 13.14.

“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(c).

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

“Permitted Encumbrances” means any of the following to the extent related to the Assets: (a) any rights, obligations, or duties reserved to or vested in any municipality or other Governmental Authority to control or regulate any Asset in any manner including all applicable Legal Requirements; (b) the terms and conditions of all agreements related to 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, but in each case, only to the extent that they do not, individually or in the aggregate, (i) 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 (ii) adversely affect the ownership and/or operation of the affected Assets in any material respect; (c) subject to Section 2.5, Section 2.6 and any related adjustments to Base Purchase Price contemplated by this Agreement, 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 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; (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 and/or the Transferring Subsidiaries’ 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; (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, subject to any related adjustments to Base Purchase Price contemplated by this Agreement; (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) calls on Hydrocarbon production under any Assigned Contracts; (m) 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; (n) mortgages on the lessor's interest under an Assigned Lease and Interest; (o) subject to Section 8.12 and any related adjustments to the Base Purchase Price contemplated by this Agreement, 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; (p) any maintenance of uniform interest provision in an operating agreement; (q) liens or trusts arising in connection with workers' compensation, unemployment insurance, or pension; (r) 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 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; 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.

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

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

"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 8.13, 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)(xii).

"Reimbursing Party" has the meaning set forth in Section 8.1(c).

"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 (as defined in the Sale Order), 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.

“Schedule Supplement” has the meaning set forth in Section 7.5(a).

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

“Seller Credit Obligations” has the meaning set forth in Section 8.7(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).

“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.

“Supplement” has the meaning set forth in Section 7.5(a).

“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 the 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 prior to the Effective Date, such proceeds of production and associated penalties and interest being more particularly described on Schedule 2.3(d), which the Parties shall agree as of the date hereof and which shall be updated pursuant to Section 7.9.

“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).

“Transferred Employees” has the meaning set forth in Section 8.5.

“Transferring Subsidiaries” means Geodyne Resources, Inc. and Samson Resources Corporation.

“Treasury Regulations” means the rules and regulations promulgated by the U.S. Treasury Department.

“Uncured” means a breach of Seller’s representations and warranties set forth in Section 5.20 or Section 5.21 that has not been Cured as set forth in 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 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 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 and subject to the terms and conditions of 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 Encumbrances (other than Permitted Encumbrances).

(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 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 any other lands, leases or interests that are included in the East Anadarko leases and interests currently being marketed for sale by Seller, 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 (other than Excluded Leases and Interests) (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 at or 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 8.12(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 Imbalances owing to Seller and/or the Transferring Subsidiaries and relating to the Properties as of the Effective Date, if any;

(v) 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 items described on Schedule 2.1(b)(v) (collectively, the “Equipment”);

(vi) all vehicles, office leases, field offices, storage yards, and data and software described on Schedule 2.1(b)(vi) (collectively, the “Miscellaneous Corporate Property”);

(vii) 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 the items described on Schedule 2.1(b)(vii);

(viii) 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 and the Transferring Subsidiaries for the ownership, operation or use of the Properties, Miscellaneous Corporate Property or Equipment (collectively, the “Permits”);

(ix) all Contracts, including the Contracts described on **Exhibit E** attached hereto, in each case, insofar as they relate to any Asset (other than the Excluded Contracts) (collectively, the “Assigned Contracts”);

(x) all Surface Rights, including those described on **Exhibit C** attached hereto;

(xi) 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;

(xii) all information, books, databases, files, records and data (other than the Excluded Records), whether in written or electronic format, relating directly 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 have 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;

(xiii) 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;

(xiv) the intellectual property described on Schedule 2.1(b)(xiv);

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

(xvi) for the avoidance of doubt, although also included as part of the Equipment or Surface Rights, all pipelines and gathering systems owned by Seller or the Transferring Subsidiaries that are used in connection with or related to the Properties, including the items listed on Exhibit I attached hereto.

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, in each case, excluding to the extent related to the Suspense Funds and 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 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) 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 to which Seller or any Transferring Subsidiary is otherwise entitled hereunder;

(j) subject to Section 8.10(c), all insurance policies and rights to proceeds thereof;

(k) all Permits and pending applications therefor to the extent related to any Excluded Asset or the Excluded Liabilities;

(l) all Intellectual Property other than the intellectual property described on Schedule 2.1(b)(xiv);

(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 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;

(q) any rights, claims or causes of action of Seller or any Transferring Subsidiary under this Agreement or any other Transaction Document; and

(r) the assets described in Schedule 2.2(r).

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), only the following Liabilities (collectively, the "Assumed Liabilities"), and no others:

(a) Assigned Contracts. All of Seller's and the Transferring Subsidiaries' Liabilities under the Assigned Contracts, whether such Liabilities arise prior to, at or after the Effective Date, except such Liabilities that are satisfied or discharged by the payment of Cure Costs (including, for the avoidance of doubt, any Assigned Contracts for which the Cure Costs were set at \$0 and approved as such by virtue of the Sale Order or such other order authorizing the assumption and assignment of such Assigned Contracts);

(b) Properties. All of Seller's and the Transferring Subsidiaries' plugging and abandonment obligations relating to the Properties, whether arising prior to, at or after the Effective Date, and all of Seller's and the Transferring Subsidiaries' other Liabilities (including Liabilities relating to Environmental Laws) under the Properties to the extent such Liabilities arise after the Effective Date.

(c) Cure Costs. All Cure Costs.

(d) Suspense Funds. Obligations of Seller and the Transferring Subsidiaries with respect to the Suspense Funds, together with any escheatment obligations related thereto, to the extent actually received by Buyer or the Base Purchase Price is reduced therefor pursuant to Section 8.13.

(e) Buyer Taxes. All Asset Taxes with respect to the Assets, except Asset Taxes that are the responsibility of Seller and the Transferring Subsidiaries 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 the Transferred Employees to the extent such Liabilities arise on or after the Closing Date other than the Liabilities described in Section 2.4. For the avoidance of doubt, Buyer will not be assuming any Liabilities of Seller to the Transferred Employees, including without limitation any severance obligations.

(h) Other Assets. To the extent not already described in Sections 2.3(a) through (f) above, all Liabilities arising from, related to, or associated with, the Assets, arising on or 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. For the avoidance of doubt, all Liabilities to third parties related to the Assets arising on or before the Effective Date that are extinguished pursuant to the Sale Order shall not be Assumed Liabilities.

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 Transferring Subsidiaries other than the Assumed Liabilities, and Seller and the Transferring Subsidiaries shall be solely and exclusively liable with respect to all Liabilities of Seller and any Transferring Subsidiary other than the Assumed Liabilities (such Liabilities other than Assumed Liabilities, collectively, the "Excluded Liabilities"). A Liability shall be deemed to be an Excluded Liability unless expressly assumed pursuant to Section 2.3. 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, other than the Assumed Liabilities:

(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) Tax Liabilities of Seller and the Transferring Subsidiaries 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 Disclosure Schedule 5.14;

(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) subject to Section 8.6, all Liabilities with respect to Seller's and its Affiliates employees, including under the WARN Act, other than the Liabilities described in Section 2.3(g), whether such Liabilities arise prior to, on or after the Closing Date; and
- (j) all Liabilities, duties or claims related to the Bankruptcy Case, the costs or administration of the Bankruptcy Case, or Seller's and the Transferring Subsidiaries' duties or obligations arising under the Bankruptcy Code (except if expressly assumed as an Assumed Liability).

2.5 Cure Costs.

(a) Subject to the approval of the Bankruptcy Court of the Sale Order, the Assigned Contracts and Assigned Leases and Interests shall be assigned to Buyer on the Closing Date, in accordance with Section 365 of the Bankruptcy Code and the Sale Order. The final determination of which Assigned Contracts and Assigned Leases and Interests that shall be assigned to Buyer on the Closing Date shall be within the sole discretion of Buyer (subject to Section 2.5(b)). Subject to Section 2.5(c) below, Buyer shall pay any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Assigned Contracts and Assigned Leases and Interests (collectively, the "Cure Costs") to which Seller or any Transferring Subsidiary is a party and which are included in the Assets in accordance with the provisions herein. For the avoidance of doubt, Buyer shall not be required to make any payment of Cure Costs for, or otherwise have any Liabilities with respect to, any Contract that is not an Assigned Contract or Assigned Lease and Interest.

(b) No later than the day that is ten (10) Business Days after the Execution Date, Seller shall provide Buyer with a written schedule containing a list of what Seller reasonably believes to be all of its Contracts along with a reasonable good faith estimate of the Cure Costs for each Contract. At any time prior to the Designation Deadline, Buyer shall have the right, which may be exercised in Buyer's sole discretion, to provide written notice to Seller (each such notice, a "Contract Notice") of Buyer's election to designate a Contract (including any Contract that is an Assigned Contract immediately before such designation and whether or not included on Exhibit E) as an Excluded Contract, and upon such designation such Contract shall constitute an Excluded Contract (and, if applicable, shall cease to constitute an Assigned Contract). Notwithstanding the foregoing, any such election to designate any midstream-related Contract or Contract that contains covenants that run with the land as an Excluded Contract shall require the written consent of Seller. If, at any time after the Designation Deadline, the Cure Costs fixed by the Bankruptcy Court for any Assigned Contract are (i) greater than the amount set forth on the schedule of Cure Costs filed by Seller with the Bankruptcy Court (together with any amendments, supplements or modifications thereto, the "Cure Schedule") and (ii) are not consented to by Buyer, then Buyer shall be permitted, no later than two (2) Business Days after entry of an order by the Bankruptcy Court setting such Cure Costs, to provide Seller a Contract Notice of Buyer's election to revoke its designation of any such Contract as an Assigned Contract (which, for any midstream-related Contract or Contract that contains covenants that run with the land, shall require the written consent of Seller) and thereupon such Contract shall be deemed to be an Excluded Contract for all purposes of this Agreement.

(c) Notwithstanding any provision to the contrary contained in this Agreement or in any other Transaction Document, the Base Purchase Price shall be adjusted downward by the amount by which the Cure Costs exceed the amount of Fifty Thousand and No/100 Dollars (\$50,000) (the "Cure Adjustment Threshold").

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, the document setting forth the need to obtain such consent provides that such consent may be withheld for any reason or 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 for such Assets. 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, and Buyer shall then be obligated for the payment of the Allocated Value attributable to such Property. 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 Seller’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 Seller’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 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 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 FIFTY-TWO MILLION FOUR HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$152,450,000); and
- (b) the assumption of the Assumed Liabilities.

Notwithstanding the foregoing, the Base Purchase Price shall be adjusted as provided in Sections 8.12 through 8.15 hereof (as adjusted, the “Purchase Price”). The cash component of the Purchase Price shall be delivered by Buyer as set forth in Section 4.2.

3.2 Deposit.

No later than three (3) Business Days following the Execution Date, 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 FIFTEEN MILLION TWO HUNDRED FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$15,245,000) (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 duly 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) due to the difficulty of ascertaining actual damages with any certainty. Notwithstanding the foregoing, in lieu of such termination right, Seller shall have the right to enforce specific performance, as set forth in Section 13.10 hereof if the conditions therein are satisfied. If this Agreement is terminated prior to Closing for any other reason, then the Parties shall cause the Escrow Agent to release the Deposit, together with any interest and other earnings therein, to Buyer within two (2) Business Days of such termination, free of any claims by Seller with respect thereto.

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) an amount equal to the cash component of the Purchase Price minus the Adjustment Holdback Amount 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 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 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 Chief Executive Officer 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;
- (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) 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
- (l) if desired by Buyer, a counterpart of a transition services agreement, in form and substance mutually agreeable to the Parties.

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), duly executed (and acknowledged, where applicable) by Seller and the applicable Transferring Subsidiaries;
- (b) the Assumption Agreement, duly executed by Seller and the applicable Transferring Subsidiaries;
- (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) non-foreign affidavits 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 neither Seller nor any Transferring Subsidiary is a “foreign person” as defined therein;
- (f) a counterpart of the Preliminary Settlement Statement executed by Seller;
- (g) if requested by Buyer, a counterpart of a transition services agreement, in form and substance mutually agreeable to the Parties; and
- (h) 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.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as disclosed in the Disclosure Schedules attached hereto (the “Disclosure Schedule”), 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 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, 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, and 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 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 is 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 and, to Seller's Knowledge, solely with respect to Hard Consents, any other Person, in each case, 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 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 as would not, individually or in the aggregate, have a Material Adverse Effect.

5.4 Material Assigned Contracts.

To Seller's Knowledge, (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 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 and (ii) as would not, individually or in the aggregate, have a Material Adverse Effect, and (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 Contracts has occurred or is continuing on the part of Seller.

5.5 Permits.

To Seller's Knowledge, as of the Execution Date, (a) all necessary Permits with regard to the ownership or operation of the Assets have been obtained and maintained in effect, (b) Seller and the Transferring Subsidiaries have 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 have a Material Adverse Effect.

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 (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 plugged and abandoned.

5.7 Imbalances.

To Seller's Knowledge, all 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 and correct as of the Execution Date, 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 or the applicable Transferring Subsidiaries’ 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), which the Parties agree shall be updated as of the Closing Date pursuant to Section 7.10.

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.

To Seller’s Knowledge, Disclosure Schedule 5.11 sets forth a list, true and correct as of the Execution Date, 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)(xiv) 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, Seller has filed all material Tax Returns required to be filed, and has paid all material Taxes shown on any such Tax Return as owing. Except as set forth on Disclosure Schedule 5.13, no material examination of any such Tax Return of Seller is currently in progress by any Governmental Authority.

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 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, have a Material Adverse Effect.

5.15 No Take-or-Pay Obligations.

Except as set forth on Disclosure Schedule 5.15, 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.

5.16 Payments.

Except as set forth on Disclosure Schedule 5.16, 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 Execution Date, have been properly and fully paid.

5.17 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.

5.18 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".

5.19 Non-Consent Operations.

Except as set forth on Disclosure Schedule 5.19 and/or Exhibit D, no operations are being conducted or have been 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 Seller's rights have not yet reverted to it.

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 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;

(c) neither Seller nor any applicable 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

(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 operation of the Properties or the Equipment at the Properties.

5.21 Title Matters.

Except as set forth on Disclosure Schedule 5.21, Seller and the Transferring Subsidiaries have Defensible Title to the Properties.

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 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 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, 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.

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, 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, or at the Closing will have, 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 until the date that is five (5) Business Days prior to the scheduled Closing Date, to its employees, customers, suppliers, properties, 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 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. 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 transaction contemplated by this Agreement, and such information shall be kept confidential by Buyer and Seller in accordance with, and Buyer and Seller 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 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, INTENTIONAL TORT 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 and shall cause the Transferring Subsidiaries to:

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

(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 or a Transferring Subsidiary 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 or a Transferring Subsidiary, 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 in writing and obtain Buyer's approval in writing 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, including Equipment, comprising part of the Assets operated by Seller or a Transferring Subsidiary in good a condition and repair consistent with its condition and repair on the date hereof, subject only to ordinary wear and tear;

(v) use commercially reasonable efforts, taking into account Seller's status as debtor in possession, to (A) retain Seller's and its Affiliates' employees who are in good standing and are necessary to operate the Assets as they are currently being operated, and (B) maintain its relationships and contracts with and preserve the goodwill of its key service providers;

(vi) pay all Taxes and assessments with respect to the Assets that became due and payable prior to the Closing Date or that relate to periods prior to the Closing Date, other than with respect to Taxes and assessments contested by Seller in good faith, written notice of which have been received by Buyer;

(vii) maintain insurance upon the Assets in such amounts and kinds comparable to that in effect on the date hereof;

(viii) provide written notice to Buyer of any notices, requests or proposals to or from a third party or Governmental Authority, including under any Order, contract, commitment or agreement, that relates to any Asset or to the operation of any Assets, and that would require Seller or a Transferring Subsidiary to take or refrain from taking any actions relating to the Assets or to the operation of the Assets or that contains provisions under which Seller's or a Transferring Subsidiary's failure to act or elect would result in an election not to participate in any proposed Well; *provided*, that after such written notice is given by Seller to Buyer, Buyer shall, as promptly as reasonably practicable (but in no event later than five (5) Business Days prior to the date Seller's response is due) notify Seller regarding Buyer's proposed actions or other responses to such notices, requests or proposals, and the Parties shall thereafter meet expeditiously and work in good faith to agree upon all actions and/or responses to be made by Seller to any such notices, requests or proposals; and

(ix) perform all other land and accounting services as would a reasonably prudent operator to maintain the Assets.

(b) Seller shall not and shall cause the Transferring Subsidiaries not to:

(i) abandon, dispose of, or relinquish 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 One Hundred Thousand Dollars (\$100,000) net to the interest of Seller without the prior written consent of Buyer, 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 abandoning obligations), each of which Seller may perform without Buyer's prior written consent provided Seller provides prior written notice thereof to Buyer;

(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) (A) waive, compromise or settle any Proceeding or (B) violate, breach or default under any material right, in each case, that could reasonably be expected to adversely affect Buyer's interest in, ownership or use of, and ability to operate, the Assets after Closing;

(vi) take any affirmative action that would result in any of the Assets becoming subject to any (A) new Encumbrance, (B) restriction on operation or use, or (C) additional claim, obligation or Liability, in each case, that could reasonably be expected to adversely affect Buyer's interest in, ownership or use of, and ability to operate, the Assets after Closing;

(vii) enter into any Lease, Mineral Interest, or any Contract that would be a Material Assigned Contract, or that would have payments by or result in revenues to any of the Transferring Subsidiaries, Seller or Buyer in excess of One Hundred Thousand Dollars (\$100,000), and that, in each case would be, the responsibility of Buyer after Closing, in each case, other than in ordinary course of business (for the avoidance of doubt, the Parties acknowledge and agree that any Contract entered into by any Seller for the purchase or sale of Hydrocarbons is considered to be in the ordinary course of business);

(viii) prior to meeting with Buyer in accordance with Section 7.2(a)(viii), make any non-consent election or otherwise fail to timely elect to participate in any operation related to any Well or Lease, including in connection with any Oklahoma corporation commission proceeding; 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, 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 commercially reasonable steps 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, including proposing, negotiating, committing to and effecting, by consent decree or otherwise, 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 transaction 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 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 amend, modify and/or supplement (i) Exhibit C, Exhibit E, Schedule 2.2(g), and Schedule 2.2(h), in each case, as applicable, in order to reflect (A) any new Contracts or Leases taken by Seller, or (B) the deletion of any Contracts or Leases (each, an “Exhibit Supplement”), and (ii) the Disclosure Schedules hereto with respect to any matters discovered or occurring subsequent to the Execution Date that have caused or would be reasonably likely to cause any representation or warranty of Seller or any Transferring Subsidiary to be untrue or inaccurate in any respect when made (each, a “Schedule Supplement,” and together with the Exhibit Supplement, the “Supplement”). Each Schedule Supplement shall specify the representation or warranty so affected and include supplement disclosure schedules to the extent such supplemental disclosure would have been required to be set forth or described in the schedules referenced in Article 5 and delivered as of the Execution Date or is necessary to correct any information in such schedules or in any representation or warranty of Seller or any Transferring Subsidiary which has been rendered inaccurate. Any disclosure in any such Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement or of determining whether or not the conditions set forth in Article 10 have been satisfied.

(b) 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 Seller or 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 (and without additional consideration from Buyer).

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 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 Buyer’s Certificate of Formation and Limited Liability Company Agreement. 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.

7.8 Cooperation with Financing.

From the Execution Date to 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 7.8. 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 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 7.8. Notwithstanding this Section 7.8 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.

7.9 Updated Suspense Funds.

On or before one (1) Business Day prior to the Closing Date, Seller shall provide to Buyer an updated list, true and correct as of the Closing Date, of all Suspense Funds and the name or names of the parties to whom such funds are owed.

7.10 Updated AFE Expenditures.

On or before one (1) Business Day prior to the Closing Date, Seller shall provide to Buyer an updated list, true and correct as of the Closing Date, of all AFEs set forth in Disclosure Schedule 5.8.

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. Seller and Buyer shall use commercially reasonable efforts to and cooperate in good faith to exempt the sale and transfer of the Assets from Transfer Taxes, including under Section 1146(a) of the Bankruptcy Code. 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; *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, and if such dispute is not resolved within one (1) year of the Closing Date, 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 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 (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. 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 the Closing.

(c) 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 or which represents an overpayment of Taxes by the Paying Party. 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(b) 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.

(d) 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(d) shall be borne by the Party requesting it.

8.2 Allocation of Purchase Price.

The Base 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) 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 Base 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 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.

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 Payments Received.

Seller, on the one hand, and Buyer, on the other hand, each agree that, after the Closing, each will hold and will promptly transfer and deliver to the other, from time to time as and when received by them, any cash, checks with appropriate endorsements (using their best efforts not to convert such checks into cash) or other property that they may receive on or after the Closing which properly belongs to the other and will account to the other for all such receipts.

8.5 Employee Matters.

Buyer shall have the right (but not the obligation) to make offers to employ each of the Applicable Employees, on such terms and conditions as Buyer may, in its sole discretion, determine. Those Applicable Employees who accept Buyer’s offer of employment made pursuant to this Section 8.5 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. 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 of the termination of their employment by Seller effective as of, but conditioned upon the occurrence of Closing, other than any such Applicable Employees that mutually agree with Seller to continue their employment with Seller following Closing. Notwithstanding the provisions set forth herein, any Applicable Employee that is not

a Transferred Employee as of the Closing Date, but that accepts an offer of employment with Buyer on or before three (3) months after the Closing Date, shall be deemed to be a Transferred Employee for all purposes under this Agreement.

8.6 WARN Act.

Seller shall have full responsibility for all WARN Act Liabilities relating to the periods prior to or on the Closing Date and, with respect to all employees of Seller and its Affiliates who are not Transferred Employees, for all periods after the Closing Date. Buyer shall have full responsibility for all WARN Act Liabilities relating to the Transferred Employees for periods on or after the Closing Date.

8.7 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, non-confidential financial information 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.

(b) 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 8.7(a), Buyer acknowledges that Seller has no duty to maintain any of the bonds, letters of credit, guarantees, cash deposits and insurance that are set forth on Schedule 8.7(c) 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 cash 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 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.

8.8 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 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, 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 8.8, 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.

8.9 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 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) ANY INFRINGEMENT BY SELLER OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (D) 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 (E) THE ENVIRONMENTAL CONDITION AND OTHER CONDITION OF THE ASSETS AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS.**

(b) 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 express representations and warranties of Seller contained in this Agreement and the other 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.

(c) **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.**

8.10 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 or condemnation.

(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 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 8.10(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 8.10(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, condemnation or eminent domain 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, taken in condemnation or under right of eminent domain 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 Assets taken in condemnation or under a right of eminent domain 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. Except as set forth herein, 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 (BUT NOT THE WILLFUL MISCONDUCT OF SELLER OR ANY MEMBER OF SELLER GROUP).**

8.11 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.

8.12 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 Seller by the Bid Deadline of such holder's intent to exercise or not exercise its Preferential Purchase Right at the Auction.

(b) If any Preferential Purchase Right is exercised prior to the Closing, then that portion of the Assets affected by such Preferential Purchase Right shall be excluded from the Assets at Closing and the Base Purchase Price shall be adjusted downward by an amount equal to the Allocated Value of such excluded Asset(s).

(c) Subject to clause (b) above, 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.

(d) 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 Asset(s) to such exercising Person, such conveyance to be in substantially the form of the Assignment.

(e) All Assets for which any applicable Preferential Purchase Right has been waived, or as to which the period to exercise the applicable Preferential Purchase Right has expired without the exercise thereof, in each case, prior to Closing, shall be transferred to Buyer at Closing pursuant to the provisions of this Agreement.

8.13 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 at or beyond a custody transfer point on the Effective Date that is credited to the Assets, such value to be the price received as of the Effective Date, or if not received, the current market price, in each case, less Taxes and gravity adjustments deducted by the purchaser of such oil or other liquid Hydrocarbons; (ii) the aggregate amount of all costs and expenses 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 properly 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; (iv) all cash call pre-payment amounts set forth on Schedule 8.13(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; (v) an amount equal to \$450.00 for each Well operated by Seller for the period from the Effective Date to the Closing Date, representing overhead charges of Seller with respect to Seller's operated Properties; and (vi) any other amount provided elsewhere in this Agreement or 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 all 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) the amount of any proceeds received by Seller from the rental, salvage, or other disposition of any Asset after the Effective Date; (v) reductions to the Base Purchase Price for Cure Costs in excess of the Cure Adjustment Threshold pursuant to Section 2.5(c); (vi) reductions to the Base Purchase Price for Hard Consents pursuant to Section 2.6; (vii) reductions to the Base Purchase Price for Preferential Purchase Rights pursuant to Section 8.12; (viii) an amount equal to the aggregate amount of all costs and expenses (other than Taxes) paid in connection with the ownership, development, production, operation, and maintenance of the Assets (including rentals, overhead, royalties, and other charges, including overhead charges and other indirect costs and expenses billed under applicable operating agreements or governmental statute(s)) which are properly 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 the Effective Date; and (ix) any other amount provided elsewhere in this Agreement or agreed upon by Buyer and Seller.

(c) The Base Purchase Price will be adjusted upward or downward, as applicable, by (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 \$2.50 per Mcf of gas for such Well (upward for underage and downward for overage); 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).

8.14 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 8.13 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 8.15 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.

8.15 Adjustment Post Closing.

On or before one hundred and 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 8.13, and 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). If the Parties fail to agree on final adjustments within such one hundred and twenty (120) day period, either Party may, within thirty (30) days after the end of such period, submit the disputed items to KPMG US LLP or another 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 KPMG US LLP is unable or unwilling to serve as the Accounting Referee and the Parties are unable to agree upon the designation of a Person or entity as substitute 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 8.15 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. If the aggregate adjustments provided for in Section 8.13, as reflected in the Final Settlement Statement, result in an increase to the Base Purchase Price (as adjusted pursuant to Section 8.14), Buyer shall pay or cause to be paid to Seller an amount equal to the amount of such increase plus the Adjustment Holdback Amount 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). If the aggregate adjustments provided for in Section 8.13, as reflected in the Final Settlement Statement, result in a decrease to the Base Purchase Price (as adjusted pursuant to Section 8.14) and the amount of such decrease is less than the Adjustment Holdback Amount, Buyer shall pay to Seller an amount equal to the Adjustment Holdback Amount minus the amount of such decrease 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). If the aggregate adjustments provided for in Section 8.13, as reflected in the Final Settlement Statement, result in a decrease to the Base Purchase Price (as adjusted pursuant to Section 8.14) and the amount of such decrease is greater than the Adjustment Holdback Amount, Seller shall pay to Buyer an amount equal to the amount of such decrease minus the Adjustment Holdback Amount 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). If the aggregate adjustments provided for in Section 8.13, as reflected in the Final Settlement Statement, result in a decrease to the Base Purchase Price (as adjusted pursuant to Section 8.14) and the amount of such decrease is equal to the Adjustment Holdback Amount, then no adjustment payments will be made pursuant to this Section 8.15. 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 8.13 above and such payments shall be considered in making such post-Closing adjustments, 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.

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, Material Adverse Effect 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 for all of Seller's representations and warranties, the effect of all uncured 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, 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 Bidding Procedures Order; Sale Order.

(a) The Bidding Procedures and Bidding Procedures Order shall have been entered no later than September 30, 2016.

(b) The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall have 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) 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). Seller shall have received a certificate of Buyer, dated as of the Closing Date, to such effect signed by a duly authorized officer thereof. If Seller determines that there has been a breach or inaccuracy of any of Buyer's representations and warranties, it shall provide Buyer with notice of such breach or inaccuracy as promptly as reasonably practicable after the determination thereof, so that Buyer may attempt to cure such breach or inaccuracy on or before the Closing Date.

10.2 Sale Order in Effect.

The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall have become a Final Order.

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:

(a) may be terminated at any time prior to the Closing 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 such terminating Party;

(ii) by mutual written consent of Seller and Buyer;

(iii) if the Closing has not occurred by the close of business on December 1, 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 (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 (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); *provided, further*, that if either Party obtains Knowledge of the other Party's breach of any representation, warranty, covenant or other agreement contained herein, the non-breaching Party shall provide notice thereof to the breaching Party as soon as reasonably practicable so that the breaching Party may cure (or, if applicable, Cure) such breach on or prior to the Outside Date (provided that the failure to so provide such notice of the other Party's breach shall not constitute or be deemed to be a waiver of such breach);

(iv) if Seller withdraws or seeks authority to withdraw the Sale Motion, or announce any stand-alone plan of reorganization or liquidation with respect to the Assets (or support 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, where 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) may be terminated at any time prior to the Closing 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 (or, if applicable, Cure) such breach on or prior to the Outside Date (as may be extended); *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 (A) Buyer is the Backup Bidder and Seller does not close the transactions contemplated by this Agreement with Buyer by the Outside Date, or (B) Buyer is not the Successful Bidder; *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 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 the Bidding Procedures Order shall not have been entered by September 30, 2016.

(c) may be terminated at any time prior to the Closing 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.

(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 that this Agreement is terminated pursuant to subsection (a)(iii), (a)(iv), (a)(v), (a)(vi), (b)(i), (b)(ii), (b)(iii) or (c)(ii) of Section 11.1, Buyer shall be entitled to payment by Seller of (i) a break-up fee in an amount equal to three percent (3%) of the Base Purchase Price (the "Break-Up Fee") and (ii) the Expense Reimbursement.

(c) 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. For the avoidance of doubt, the transactions described in Section 11.1(a)(vi) shall be deemed to constitute an Alternative Transaction for purposes of this Agreement. Seller shall pay the Expense Reimbursement to Buyer within ten (10) days after the termination of this Agreement.

(d) 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.

(e) Buyer represents to Seller that this Section 11.2 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

12.1 No Survival of Representations and Warranties.

The representations and warranties of either Party contained herein and in any certificate or other Transaction Document delivered by such Party pursuant to this Agreement shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof. Each of either Party's covenants and other agreements contained in this Agreement that require performance by such Party by or prior to the Closing shall terminate upon the Closing, and all other covenants and agreements of such Party (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, 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.

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 April 28, 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 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, then to:

Rebellion Energy, LLC
5416 S. Yale, Suite 300
Tulsa, Oklahoma 74135
Attn: Staci A. Taruscio
Phone: (918) 779-3163
E-mail: staruscio@rebellionenergy.com

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

Conner & Winters, LLP
4000 One Williams Center
Tulsa, Oklahoma 74172
Attn: R. Kevin Redwine and Christopher R. Wilson
Phone: (918) 586-8540
E-mail: kredwine@cwlaw.com and cwilson@cwlaw.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 shall be permitted, upon prior notice to Seller, to assign all or part of its rights or obligations hereunder to one or more of its Affiliates, but no such assignment shall relieve Buyer of its obligations under this Agreement.

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 in the event that any of the provisions of this Agreement requiring performance by a Party were not performed by such Party in accordance with the terms hereof or were otherwise breached, and such non-performance or breach was attributable, in whole or in part, to the fraud, bad faith, willful misconduct or gross negligence of such non-performing or breaching Party, and in such event, the Parties shall be entitled to seek an injunction or injunctions to prevent breaches of the provisions hereof and to specific performance of the terms hereof. For the avoidance of doubt, the Parties acknowledge and agree that if a Party is ready to close and not in breach of the terms of this Agreement and all of the conditions precedent to the obligation of the other Party to close have been satisfied, such other Party's refusal to close will constitute willful misconduct by

such other Party. Such right of specific performance 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 (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 Oklahoma 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 Oklahoma 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 an Oklahoma state court or a federal court sitting in the State of Oklahoma, 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.

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 and readily apparent on its face, 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 and shall perform the obligations of Seller under this Agreement.

13.17 Approval of the Bankruptcy Court.

Any and all obligations under this Agreement are subject to the entry of the Sale Order; *provided, however*, that (i) the provisions in Section 11.1(a)(iii), establishing an Outside Date, and Section 11.2, relating to payment of the Expense Reimbursement and the Break-Up Fee, shall be effective upon the Bankruptcy Court’s entry of the Bidding Procedures Order, and (ii) the provision of Section 9.5, relating to the form and content of the Bidding Procedures and the Bidding Procedures Order, shall be effective and binding on Seller upon entry of the Bidding Procedures 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

REBELLION ENERGY, LLC

By: _____

Name: Staci A. Taruscio

Title: President and CEO

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

REBELLION ENERGY, LLC

By:  _____

Name: Staci A. Taruscio

Title: President and CEO