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

In re:	§	Chapter 11
WEATHERLY OIL & GAS, LLC,[1]	§	Case No. 1919-31087-MI
Debtor.	§	
	§	**Re: ECF No. 26, 57**

FINAL ORDER AUTHORIZING
LIMITED USE OF CASH COLLATERAL, OBTAINING
POST-PETITION FINANCING SECURED BY SENIOR LIENS, AND
GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES

Upon the Motion[2] filed by the Debtor as debtor and debtor in possession for entry of an interim order (the "***Interim Order***") and a final order (this "***Final Order***"), pursuant to sections 105, 361, 362, 363, 364, and 507 of title 11 of the United States Code (the "***Bankruptcy Code***"), rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***"), and rules 2002-1, 4001-1(b), 4002-1(i), and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas and the Texas Complex Chapter 11 Case Procedures (together, the "***Local Rules***"):

(a) authorizing the Debtor to obtain senior secured, postpetition financing on a priming, superpriority basis from Angelo, Gordon Energy Servicer, LLC as administrative agent and collateral agent (in such capacities, the "***DIP Agent***") and the lenders (the "***DIP Lenders***," and together with the DIP Agent, the "***DIP Secured Parties***") under the attached Senior Secured Debtor-in-Possession Credit Agreement by and among the Debtor, the DIP Lenders from time to time party thereto, and the DIP Agent (as subsequently amended, restated, or otherwise modified from time to time, the "***DIP Financing Agreement***") in an aggregate principal amount not to exceed $1,000,000, and including, without limitation, principal, interest, fees, expenses,

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

[2] Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion.

and other costs of the DIP Agent and the DIP Lenders in this bankruptcy case (the "***Chapter 11 Case***"), in accordance with the terms and conditions set forth herein and in the DIP Financing Agreement, the other Credit Documents (as defined in the DIP Financing Agreement), and all other related agreements and documents (collectively, the "***DIP Financing***");

(b) authorizing the Debtor to enter into, execute, deliver and perform under the DIP Financing and all other related agreements and documents creating, evidencing, or securing indebtedness or obligations of the Debtor to the DIP Agent and the DIP Lenders on account of the DIP Financing or granting or perfecting liens or security interests by the Debtor in favor of and for the benefit of the DIP Agent and the DIP Lenders on account of the DIP Financing Agreement, as the same now exists or may hereafter be amended, modified, supplemented, ratified, assumed, extended, renewed, restated, or replaced, and any and all agreements and documents currently executed or to be executed in connection therewith or related thereto, by and among the Debtor, the DIP Agent and the DIP Lenders, the terms of which are referenced and incorporated herein as if fully set forth herein (collectively, the "***DIP Documents***");

(c) approving the terms and conditions of the DIP Financing, including the DIP Financing Agreement and the other DIP Documents;

(d) granting valid, enforceable, non-avoidable, and automatically fully perfected priming liens on, and security interests in, the DIP Collateral (as defined below) to the DIP Secured Parties to secure all obligations (the "***DIP Obligations***") pursuant to sections 364(c)(2), 364(c)(3), and 364(d) of the Bankruptcy Code;

(e) granting allowed superpriority administrative claims to the DIP Secured Parties with respect to the DIP Obligations pursuant to section 364(c)(1) of the Bankruptcy Code;

(f) authorizing the Debtor to continue to use cash collateral (as such term is defined in section 363(a) of the Bankruptcy Code, "***Cash Collateral***") in accordance with the Budget, and all other Prepetition Collateral (each as defined below), in accordance with the terms of this Final Order;

(g) authorizing the Debtor to grant Adequate Protection (as defined below) to the Prepetition Secured Parties (as defined below) under or in connection with the following agreements:

i. that certain Senior Secured Term Loan Agreement dated as of September 18, 2017 (as amended, restated, amended and restated, supplemented, or otherwise modified, the "***Prepetition Loan Agreement***," and, collectively with all agreements, documents, notes, mortgages, security agreements, pledges, guarantees, deeds, instruments, indemnities, indemnity letters, fee letters, assignments, charges, amendments, and any other agreements delivered pursuant thereto or in connection therewith, including the "Loan

Documents" as such term is defined in the Prepetition Loan Agreement, the "***Prepetition Loan Documents***"), by and among the Debtor as borrower, the Lenders (as defined therein) from time to time party thereto (the "***Prepetition Lenders***"), Angelo, Gordon Energy Servicer, LLC, as administrative agent (in such capacity, the "***Prepetition Agent***," and, together with the Prepetition Lenders and the other parties to whom any Obligations (as defined in the Prepetition Loan Agreement and as used herein, the "***Prepetition Obligations***") may be owed, the "***Prepetition Loan Secured Parties***"); and

ii. that certain ISDA Master Agreement (the "***Prepetition ISDA Master Agreement***," and together with the Prepetition Loan Documents, the "***Prepetition Obligation Documents***") dated July 15, 2014 between the Debtor and Cargill, Incorporated ("***Cargill***," and together with the Prepetition Loan Secured Parties, the "***Prepetition Secured Parties***") and the obligations owed by the Debtor under the Prepetition ISDA Master Agreement.

(h) approving certain stipulations of the Debtor with respect to the Prepetition Obligation Documents, the Prepetition Obligations, and the liens and security interests granted with respect thereto; and

(i) modifying the automatic stay of section 362 of the Bankruptcy Code (the "***Automatic Stay***") to the extent set forth herein and in the DIP Documents, and providing for the immediate effectiveness of this Final Order.

Upon due and sufficient notice of the Motion and the interim hearing on the Motion (the "***Interim Hearing***") and the final hearing on the Motion (the "***Final Hearing***") having been provided by the Debtor; and the Interim Hearing having been held on March 6, 2019; and the Court having entered the Interim Order on March 6, 2019 [Docket No. 66] approving the Motion on an interim basis; and the Final Hearing having been held on March 26, 2019; and after considering all the pleadings filed with this Court; and upon the record of the First Day Declaration, the Interim Hearing, the Final Hearing and the Motion; and the Court having found and determined that the relief sought in the Motion is necessary to avoid immediate and irreparable harm to the Debtor pending the Final Hearing and is otherwise fair and reasonable and in the best interests of the Debtor, its estate, and creditors, and is essential for the continued operation of the Debtor's

business; and after due deliberation and consideration and good and sufficient cause appearing therefor:

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Petition Date

1. On February 28, 2019 (the "***Petition Date***"), the Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the "***Court***"). The Debtor is continuing in the management and operation of its business and properties as debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. On March 15, 2019, the Office of the United States Trustee for Region 7 (the "***U.S. Trustee***") appointed a committee of unsecured creditors (the "***Creditors' Committee***"). No trustee, examiner, or other statutory committee (each such committee, a "***Statutory Committee***") has been appointed in the Chapter 11 Case.

B. Jurisdiction

3. This Court has jurisdiction over the Chapter 11 Case, this Motion, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334 and the Order of Reference to Bankruptcy Judges, General Order 2012-6 (S.D. Tex. May 24, 2012) (Hinojosa, C.J.).

4. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

5. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Notice

6. Proper, timely, adequate and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and no other or further notice of the Motion or the entry of this Final Order shall be required.

D. Debtor's Stipulation

7. The Debtor, having reviewed and investigated the Prepetition Obligations, the Prepetition Collateral (as defined below), and the Prepetition Liens (as defined below) admit, stipulate and agree that:

(a) *Prepetition Obligations*. In accordance with the terms of the Prepetition Obligation Documents, all amounts payable thereunder are fully due and payable by the Debtor. The Debtor is indebted and liable to the Prepetition Agent and the other Prepetition Secured Parties for such amounts without defense, counterclaim, or offset of any kind. As of the Petition Date, the Debtor was indebted and liable: (i) to the Prepetition Agent and the other Prepetition Loan Secured Parties without defense, counterclaim, or offset of any kind, for all of the Prepetition Obligations, including the Loans (as defined in the Prepetition Loan Agreement) made by the Prepetition Lenders in the aggregate amount of not less than $90,239,696 under the Prepetition Loan which includes applicable interest and Make-Whole Amount (as defined in the Prepetition Loan Agreement), plus fees and expenses (including, without limitation, the reasonable and documented fees and expenses of the Prepetition Agent's attorneys), and other obligations incurred in connection therewith, in each case in accordance with the terms of the Prepetition Loan Documents and (ii) to Cargill in an aggregate amount of not less than $3,468,756 in accordance with the terms of the Prepetition ISDA Master Agreement. Each of the Prepetition Obligation Documents is valid, binding, and subject to applicable bankruptcy law, enforceable against the Debtor in accordance with its terms.

(b) *Prepetition Collateral*. Pursuant to and as more particularly described in the Prepetition Obligation Documents, the Prepetition Obligations are secured by, among other things, first priority liens and mortgages on, security interests in, and assignments and pledges of (collectively, the "***Prepetition Liens***"), all of the Debtor's right, title, and interest in substantially all of the Debtor's property, all as more fully described in the Prepetition Obligation Documents, including, without limitation, all of the Debtor's oil and gas properties described in the Prepetition Obligation Documents, including, without limitation, the as-extracted collateral therefrom, the cash and noncash proceeds, receivables, and rights in and to all imbalances, joint interest billings, and payments from first party purchasers, and other rights arising from all prepetition collateral, including any cash held by the Debtor that constitutes Cash Collateral (collectively, the "***Prepetition Collateral***").

(c) *Validity of Prepetition Liens and Prepetition Obligations*. The Prepetition Liens are (i) valid, binding, perfected, and enforceable liens on, and security interests in, all of the Debtor's right, title, and interest in, and to, the Prepetition Collateral, and (ii) not subject to, pursuant to the Bankruptcy Code or other applicable law, any contest, attachment, attack, avoidance, "claim" (as defined in section 101(5) of the Bankruptcy Code), cause of action, counterclaim, defense, disallowance, impairment, offset, recharacterization, recoupment, recovery, reduction, refund,

rejection, subordination (whether equitable, contractual, or otherwise), or any other challenge of any kind by any person or entity. The Debtor irrevocably waives any right to challenge or contest in any way the scope, extent, perfection, priority, validity, non-avoidability, or enforceability of the Prepetition Liens, the Prepetition Obligation Documents, or the Prepetition Obligations. The Prepetition Liens were granted to the respective Prepetition Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with the making of loans, commitments, and/or other financial accommodations under the Prepetition Obligation Documents. No portion of the Prepetition Obligations or any payments made to the Prepetition Secured Parties or applied to or paid on account of the obligations owing under the Prepetition Obligation Documents prior to the Petition Date is subject to, pursuant to the Bankruptcy Code or other applicable law, any contest, attachment, attack, avoidance, "claim" (as defined in section 101(5) of the Bankruptcy Code), cause of action, counterclaim, defense, disallowance, impairment, offset, recharacterization, recoupment, recovery, reduction, refund, rejection, subordination (whether equitable, contractual, or otherwise), or any other challenge of any kind by any person or entity.

(d) *Cash Collateral*. All of the Debtor's cash, negotiable instruments, documents of title, securities, deposit accounts, securities accounts, and other cash equivalents, in each case, whether existing on the Petition Date or thereafter, wherever located, constitutes Cash Collateral of the Prepetition Secured Parties.

(e) *Events of Default and Claims Acceleration*. The Debtor is in default of its debts and obligations to the Prepetition Agent and the Prepetition Lenders under the terms and provisions of the Prepetition Loan Agreement and the other Prepetition Loan Documents. These defaults exist, have not been timely cured, and are continuing. The Prepetition Obligations owed to each of the Prepetition Agent and the Prepetition Lenders under the terms and provisions of the Prepetition Loan Agreement Documents and the other Prepetition Loan Documents were accelerated prior to the filing of the Chapter 11 Case by the notice of the Prepetition Agent (acting at the direction of the Prepetition Lenders).The Debtor hereby releases, waives, and affirmatively agrees not to allege or otherwise pursue any or all defenses, affirmative defenses, counterclaims, claims, causes of action, recoupments, setoffs, or other rights that it may have to contest any Defaults or Events of Default (as such terms or similar terms are defined in the Prepetition Loan Documents) that were or could have been declared by the Prepetition Agent and the other Prepetition Secured Parties as of the Petition Date.

E. Releases

8. The Debtor on its own behalf and on behalf of its past, present, and future predecessors, successors, heirs, and assigns, hereby forever, fully, and finally, waives and releases any and all claims (as defined in section 101(5) of the Bankruptcy Code), objections, challenges,

counterclaims, causes of action, defenses, or setoff rights against the Prepetition Agent and each of the other Prepetition Secured Parties, and each of their respective predecessors, successors, assigns, agents, affiliates, representatives, attorneys, advisors, professionals, officers, directors, and employees, whether arising at law or in equity, including any recharacterization, subordination, avoidance, or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law. The admissions, stipulations, agreements, and releases set forth in this Final Order are based upon and consistent with the Debtor's investigation of the Prepetition Secured Parties' liens and claims and determination that the Debtor has no claims (as defined in section 101(5) of the Bankruptcy Code), defenses, or counterclaims with respect thereto.

F. Findings Regarding the DIP Financing and Cash Collateral

9. With respect to the DIP Financing and Cash Collateral:

(a) *Need for DIP Financing and Use of Cash Collateral*. The Debtor has an immediate and critical need to obtain postpetition financing under the DIP Facility and to use Cash Collateral. The ability of the Debtor to maintain business relationships with its vendors, suppliers, and customers, and otherwise finance its operations, requires the availability of working capital from the DIP Facility and use of Cash Collateral. Without the ability to access the DIP Facility and use Cash Collateral as provided for in this Final Order, the Debtor, its estate, and creditors would suffer immediate and irreparable harm.

(b) *No Credit Available on More Favorable Terms*. In light of the Debtor's facts and circumstances, the Debtor is unable to obtain (i) adequate unsecured credit allowable either (x) under sections 364(b) and 503(b)(1) of the Bankruptcy Code, or (y) under section 364(c)(1) of the Bankruptcy Code, (ii) adequate credit secured by (x) a senior lien on unencumbered assets of its estate under section 364(c)(2) of the Bankruptcy Code, and (y) a junior lien on encumbered assets under section 364(c)(3) of the Bankruptcy Code, or (iii) secured credit under section 364(d)(1) of the Bankruptcy Code from sources other than the DIP Lenders on terms more favorable than the terms of the DIP Facility. In light of the Debtor's facts and circumstances, the only viable source of secured credit available to the Debtor, other than the use of Cash Collateral, is the DIP Facility. The Debtor requires both additional financing under the DIP Facility and the continued use of Cash Collateral under the terms of this Final Order to satisfy its postpetition liquidity needs.

(c) *Willingness to Provide Financing*. The DIP Lenders have indicated a willingness to provide financing to the Debtor and the Prepetition Secured Parties have indicated a willingness to consent to the Debtor's use of Cash Collateral and Prepetition Collateral, subject to: (i) the entry by the Court of the Interim Order and this Final Order, as applicable; (ii) approval by the Court of the terms and provisions of the DIP Facility and DIP Documents; and (iii) entry of findings by the Court that such financing is essential to the Debtor's estate, that the DIP Lenders are extending postpetition credit to the Debtor pursuant to the DIP Documents, the Interim Order, and this Final Order in good faith, and that the claims, superpriority claims, security interests and liens, and other protections granted pursuant to the Interim Order, this Final Order, and the DIP Documents will have the protections provided in section 364(e) of the Bankruptcy Code and will not be affected by any subsequent reversal, modification, vacatur, amendment, reargument, or reconsideration of the Interim Order, this Final Order, or any other order.

(d) *Security Interests and Liens Are Appropriate*. The security interests and liens granted pursuant to this Final Order to the DIP Agent for the benefit of the DIP Secured Parties are appropriate under section 364(d) of the Bankruptcy Code because, among other things: (i) such security interests and liens do not impair the interests of any holder of a valid, perfected, prepetition security interest or lien in the property of the Debtor's estate, (ii) the holders of such valid, perfected, prepetition security interests and liens have consented to the security interests and priming liens granted pursuant to the Interim Order and this Final Order to the DIP Agent, for the benefit of the DIP Secured Parties, or (iii) the interests of any holder of a valid, perfected, prepetition security interest or lien are otherwise adequately protected.

(e) *Adequate Protection*. The Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363, and 364 of the Bankruptcy Code, to receive adequate protection ("***Adequate Protection***") against the diminution in value of their respective interests in the Prepetition Collateral, as set forth herein.

(f) *New Loans*. The DIP Facility constitutes new loans and financial accommodations, separate and distinct from the loans and financial accommodations provided prior to the Petition Date under the Prepetition Loan Documents, and the proceeds of the DIP Facility and Cash Collateral may only be borrowed and used in accordance with the terms of this Final Order and the DIP Documents.

(g) *Good Faith*. The Debtor, the DIP Agent, the DIP Lenders, and the Prepetition Secured Parties have negotiated the terms and provisions of the DIP Documents (including the Debtor's continued use of Prepetition Collateral, including Cash Collateral), the Interim Order, and this Final Order in good faith and at arm's length, and any credit extended and loans made to the Debtor pursuant to the Interim Order was, and pursuant to this Final Order shall be, and hereby are, deemed to have been extended, issued, or made, as the case may be, in "good faith" within the meaning of sections 363(m) and 364(e) of the Bankruptcy Code.

(h) *Notice*. Notice of the Final Hearing and the relief requested in the Motion has been provided by the Debtor, whether by facsimile, email, overnight courier, or hand delivery, to certain parties in interest. The Debtor has made reasonable efforts to afford the best notice possible under the circumstances and such notice is good and sufficient to permit the relief set forth in this Final Order.

(i) *Immediate Entry*. The Debtor has requested immediate entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent entry of this Final Order, the Debtor's business, properties, and estate will be immediately and irreparably harmed. The Court concludes that immediate entry of this Final Order is in the best interest of the Debtor's and its estate and creditors.

Based upon the foregoing findings and conclusions, the Motion, and the record made before the Court with respect to the Motion at the Interim Hearing, the Final Hearing, and otherwise, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Motion. The Motion is hereby granted on a final basis in accordance with and subject to the terms and provisions set forth in this Final Order and the DIP Documents. All objections to the relief sought in the Motion to the extent not withdrawn, waived, or resolved, and all reservations of rights included therein, are hereby denied and overruled on the merits.

2. Authorization of the DIP Facility.

(a) The DIP Facility is hereby approved on a final basis. The Debtor is hereby expressly and immediately authorized to effect the DIP Facility, to execute, deliver, and perform under the DIP Documents, and to borrow, incur, perform, and pay the DIP Obligations, in each case, in accordance with and subject to the terms of this Final Order and the DIP Documents, and to execute, deliver, and perform under any and all other instruments, certificates, agreements, and documents that may be requested by the DIP Agent or the DIP Lenders or that may be required, necessary, or prudent for the performance by the Debtor with respect to the DIP Facility or the creation and perfection of the DIP Liens (as defined below). The DIP Documents represent valid and binding obligations of the Debtor, enforceable against the Debtor and its estate, and the DIP Obligations shall be due and payable, in each case, in accordance with the terms of this Final Order and the DIP Documents. The DIP Financing Agreement, annexed hereto as **Exhibit 1**, and the other DIP Documents are hereby approved as to both form and content on a final basis.

(b) The Debtor acknowledges, represents, stipulates, and agrees, and the Court hereby finds and orders, that:

i. in entering into the DIP Documents and obtaining the use of Cash Collateral, and as consideration therefor and for the other accommodations and agreements of the DIP Secured Parties reflected herein and in the DIP Documents, the Debtor hereby agrees that until such time as all of the DIP Obligations are indefeasibly paid in full, in cash, on a final basis, and the DIP Financing Agreement and other DIP Documents are terminated in accordance with the terms thereof, the Debtor shall not in any way prime or seek to prime the DIP Obligations, the DIP Liens, or the DIP Superpriority Claims (as defined below) provided to the DIP Lenders under this Final Order by offering a subsequent lender or a party in interest a superior or *pari passu* lien or administrative expense pursuant to sections 105(a), 326, 328, 330, 331, 364(c), 364(d), 503, 506, 507, 546(c), 552(b), 726, or 1114 of the Bankruptcy Code or otherwise or acquiescing thereto except as expressly authorized in the DIP Financing Agreement; and

ii. the Debtor is liable to (A) the DIP Secured Parties and their respective successors and assigns, for the full and prompt payment when due (whether at maturity or earlier, by reason of acceleration or otherwise, and at all times thereafter), and performance of, all DIP Obligations owed or hereafter owing to the DIP Secured Parties and (B) the Prepetition Secured Parties and their respective successors and assigns, for the full and prompt payment when due and performance of, all obligations hereunder, including with respect to the Adequate Protection granted to the Prepetition Secured Parties. The Debtor agrees that its obligations under this Final Order and any DIP Document shall not be discharged until the indefeasible payment and performance, in full in cash, of the DIP Obligations and the other obligations hereunder, including with respect to the Adequate Protection granted to the Prepetition Secured Parties, as applicable, and the termination of the lending commitments under the DIP Documents.

3. Authorization of Financing. The Debtor is hereby immediately authorized on a final basis to borrow under the DIP Facility up to an aggregate principal amount of $1,000,000 subject to the terms and conditions set forth in this Final Order and the DIP Documents.

4. DIP Obligations. The DIP Documents evidence the DIP Obligations, and are valid, binding, and enforceable against the Debtor, its estates, and any successors or assigns thereto, including, without limitation, any trustee appointed in the Chapter 11 Case, or in any case under chapter 7 of the Bankruptcy Code upon the conversion of the Chapter 11 Case ("***Successor Case***"), and its creditors and other parties in interest, in each case, in accordance with the terms of this Final Order and the DIP Documents. No obligation, payment, transfer, or grant of collateral

security hereunder or under the DIP Documents, including any DIP Obligation or DIP Liens and including in connection with any Adequate Protection provided to the Prepetition Secured Parties hereunder, shall be stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law, including, without limitation, under sections 502(d), 544, and 547 to 550 of the Bankruptcy Code, or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law, or subject to any avoidance, reduction, recoupment, offset, recharacterization, subordination, whether equitable, contractual, or otherwise, counterclaim, cross-claim, defense, or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity.

5. DIP Liens. With respect to the DIP Obligations under the DIP Financing Agreement, the other DIP Documents, and this Final Order, the DIP Agent, for the benefit of the DIP Secured Parties, shall have and is hereby granted, effective as of the Petition Date, with respect to the Debtor, its estate, and all DIP Collateral, the following liens:

(a) a first priority, priming security interest in and lien pursuant to section 364(d)(1) of the Bankruptcy Code on all encumbered DIP Collateral (the "***Section 364(d)(1) Liens***"), which Section 364(d)(1) Liens shall be senior to any existing liens or claims, and subject only to (i) the Carve-Out, (ii) valid, perfected, and non-avoidable liens on property of the Debtor that are in existence on the Petition Date, other than the Prepetition Liens, and (iii) valid and non-avoidable liens on property of the Debtor that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (the foregoing clauses (ii) and (iii) being referred to collectively as the "***Permitted Prior Liens***");

(b) a first priority security interest in and lien pursuant to section 364(c)(2) of the Bankruptcy Code on all unencumbered DIP Collateral (the "***Section 364(c)(2) Liens***"), which Section 364(c)(2) Liens shall be subject only to the Carve-Out; and

(c) a junior security interest and lien pursuant to section 364(c)(3) of the Bankruptcy Code on all DIP Collateral that is subject to a Permitted Prior Lien (the "***Section 364(c)(3) Liens***," and collectively with the Section 364(d)(1) Liens and Section 364(c)(2) Liens, the "***DIP Liens***"), which Section 364(c)(3) Liens also shall be subject to the Carve-Out.

None of the DIP Obligations, DIP Liens, or DIP Superpriority Claims shall (i) be subject to or *pari passu* with any lien or security interest that is avoided and preserved for the benefit of the Debtor's estate under section 551 of the Bankruptcy Code, (ii) be subject to sections 510, 549, or 550 of the Bankruptcy Code, or (iii) hereafter be subject to, subordinated to, or made *pari passu* with any other lien, security interest, or claim under sections 361, 363, or 364 of the Bankruptcy Code or otherwise, except as expressly provided in this Final Order. For the avoidance of doubt, the DIP Liens shall be senior in all respects to the Prepetition Liens.

6. DIP Collateral.

(a) The DIP Liens of the DIP Agent, for the benefit of the DIP Secured Parties, constitute liens on and security interests in the following (collectively, the "***DIP Collateral***"):

i. all of the Debtor's now owned and hereafter acquired real and personal property, tangible and intangible assets, prepetition and postpetition assets, and rights of any kind or nature, wherever located, including, without limitation, all oil and gas properties (including "***Oil and Gas Properties***" as defined in the Prepetition Loan Agreement and any as-extracted collateral, goods, fixtures, and hydrocarbons related thereto), goods, accounts receivable, other rights to payment, cash, inventory, general intangibles, contracts, servicing rights, swap and hedge proceeds and termination payments, servicing receivables, securities, equity interests, chattel paper, real property leaseholds, fixtures, machinery, equipment, deposit accounts, patents, copyrights, trademarks, trade names, rights under license agreements and other intellectual property, commercial tort claims, claims and causes of action arising under section 549 of the Bankruptcy Code, and all other claims and causes of action of any kind or nature (other than the Debtor's claims and causes of action arising under sections 544, 545, 547, 548, and 550 of the Bankruptcy Code, collectively, the "***Avoidance Actions***");

ii. the products, rents, offspring, profits, and proceeds of each of the foregoing; and

iii. the proceeds and property recovered with respect to Avoidance Actions (but not the claims themselves); and the DIP Secured Parties will marshal their liens so that the proceeds and property recovered with respect to the Avoidance Actions are the last lien collected.

7. DIP Superpriority Claims. With respect to the DIP Obligations under the DIP Financing Agreement, the other DIP Documents, and this Final Order, the DIP Agent, for the benefit of the DIP Secured Parties, shall have and is hereby granted, effective as of the Petition Date, with respect to the Debtor, its estate, and all of its assets and properties, the following superpriority claims: a superpriority administrative expense claim, the Chapter 11 Case or any Successor Case pursuant to section 364(c)(1) of the Bankruptcy Code with priority over all other administrative expenses pursuant to the Bankruptcy Code, including the kinds specified in or arising or ordered pursuant to sections 105(a), 326, 328, 330, 331, 503(b), 506(c), 507, 546(c), 552(b), 726, and 1114 of the Bankruptcy Code or otherwise, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy, or attachment, which superpriority claims of the DIP Agent and DIP Secured Parties shall be subordinate only to the Carve-Out (the "***DIP Superpriority Claims***"). The DIP Superpriority Claims shall be against the Debtor and shall be payable from and have recourse to all assets and properties of the Debtor. Except for the Carve-Out, the DIP Superpriority Claims shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in the Chapter 11 Case or any Successor Case and shall be valid and enforceable against the Debtor, its estate, and any successors or assigns thereto, including, without limitation, any trustee appointed in the Chapter 11 Case or any Successor Case.

8. Payment of DIP Fees and Expenses.

(a) The DIP Obligations shall bear interest at the applicable rate (including any applicable default rate after the occurrence of an Event of Default (as defined in the DIP Financing Agreement)) set forth in the DIP Documents, and be due and payable in accordance with this Final Order and the DIP Documents, in each case without further notice, motion, or application to, order of, or hearing before, this Court.

(b) The Debtor shall pay to the DIP Agent, for itself and, if applicable, the ratable benefit of the DIP Secured Parties, the fees payable under the terms of the DIP

Documents, including the following: (i) the DIP Agent's fees and (ii) the DIP Lenders' fees, all as set forth in the DIP Documents, in each case whether or not such amounts are included in the Budget or arose before or after the Petition Date. None of the fees payable pursuant to this subparagraph (b) shall be subject to any other notice or approval by this Court.

(c) The Debtor shall pay the reasonable and documented prepetition and postpetition fees and expenses of attorneys and advisors for the DIP Secured Parties (including, without limitation, the reasonable and documented prepetition and postpetition fees and expenses of Vinson & Elkins, LLP).The payment of the fees, expenses, and disbursements set forth in this paragraph 8(c) shall: (i) with respect to prepetition fees, be made within ten (10) days after the closing of the first Group 1 Asset Sale and (ii) with respect to postpetition fees, be made within ten (10) business days after the receipt by the Debtor, counsel and financial advisor for the Creditors' Committee, counsel for any Statutory Committee, and counsel for the U.S. Trustee (such ten business day period, the "***Review Period***") of invoices thereof (the "***Invoiced Fees***") (which invoices may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney work product doctrine) and without the necessity of filing formal fee applications, including such amounts arising before and after the Petition Date; *provided* that the Debtor, the Creditors' Committee, any Statutory Committee, and the U.S. Trustee may preserve their right to dispute the payment of any portion of the Invoiced Fees (the "***Disputed Invoiced Fees***") if, within the Review Period, (i) the Debtor pays in full the Invoiced Fees, and (ii) the Debtor, the Creditors' Committee, any Statutory Committee, or the U.S. Trustee files with the Court a motion or other pleading, on at least 10 business days' prior written notice to such professional, the DIP Agent, and counsel for the DIP Agent of any hearing on such motion or other pleading, setting forth the specific objections to the Disputed Invoiced Fees. To the extent that the Court, after notice and a hearing, enters an order sustaining any such specific objections by the Debtor, the Creditors' Committee, any Statutory Committee, or the U.S. Trustee to the Disputed Invoiced Fees, other than with respect to a final invoice, any prior payment of such Invoiced Fees in the amount disallowed shall be recharacterized as payment on account of additional incurred professional fees, thereby reducing any claims on account of future payment of fees.

9. Authorization to Use Prepetition Collateral, Including Cash Collateral. The Debtor is authorized to use Cash Collateral, subject to and as set forth in the Budget, this Final Order, and the DIP Documents. In no event shall the Debtor be authorized to use Cash Collateral or the DIP Facility for any purpose or under any terms other than those set forth in the Budget, this Final

Order, and the DIP Documents. The Debtor is further authorized to use the other Prepetition Collateral during the period from the Petition Date through and including an Event of Default or Cash Collateral Default in accordance with the terms and conditions of this Final Order and the DIP Documents.

10. Entitlement to Adequate Protection. The Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363(c)(2), and 363(e) of the Bankruptcy Code, to the Adequate Protection Obligations (as defined below), solely to the extent of the aggregate postpetition diminution in value of such Prepetition Secured Party's interest in the Prepetition Collateral, including the Cash Collateral ("***Collateral Diminution***"). Cash payments from the proceeds of Prepetition Collateral made to the Prepetition Secured Parties shall not be deemed to result in Collateral Diminution. For the avoidance of doubt, and notwithstanding anything to the contrary, any Adequate Protection Obligations shall only be assertable on account of Collateral Diminution.

11. Adequate Protection. In consideration for the Debtor's use of the Prepetition Collateral (including Cash Collateral), the Prepetition Secured Parties shall receive the following adequate protection (collectively, the "***Adequate Protection Obligations***"):

(a) *Adequate Protection Liens*. As adequate protection, the Prepetition Agent, for the benefit of the Prepetition Loan Secured Parties, and Cargill shall be granted, in accordance with sections 361, 363(e), and 364(d) of the Bankruptcy Code, valid, binding, enforceable, and automatically perfected security interests and replacement liens (the "***Adequate Protection Liens***") upon all DIP Collateral in each case to secure the Prepetition Obligations against the diminution in the value, if any, of the Prepetition Collateral subsequent to the Petition Date, including any such diminution by reason of (i) the reduction of the Prepetition Collateral as a consequence of the priming by the DIP Obligations, (ii) depreciation, use, sale, loss, or decline in market value or otherwise of the Prepetition Collateral, and (iii) the sum of the aggregate amount of all Cash Collateral and the aggregate value of all noncash Prepetition Collateral, which is applied in payment of the DIP Obligations or any other obligations other than the Prepetition Obligations. The Adequate Protection Liens shall be subject and subordinate to (A) the Carve-Out, (B) the DIP Obligations, the DIP Liens, and the DIP Superpriority Claims, and (C) the Permitted Prior Liens. The Adequate Protection Liens shall not (i) be subject to

any lien or security interest that is avoided and preserved for the benefit of the Debtor's estate under section 551 of the Bankruptcy Code, or (ii) be subordinated to or made *pari passu* with any other lien or security interest under sections 361, 363, or 364 of the Bankruptcy Code or otherwise except as expressly provided in this Final Order and the DIP Documents.

(b) *Adequate Protection Claims*. Pursuant to section 507(b) of the Bankruptcy Code, the Prepetition Secured Parties, effective as of the entry of this Final Order, shall be granted an allowed superpriority administrative expense claim in the Chapter 11 Case or any Successor Case (collectively, the "***Adequate Protection Claims***"), for the diminution in the value, if any, of the Prepetition Collateral subsequent to the Petition Date, which claims shall only be junior to the DIP Superpriority Claims and the Carve-Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims, and all other claims against the Debtor or its estate in the Chapter 11 Case or any Successor Case, at any time existing or arising, of any kind or nature whatsoever. The Adequate Protection Claims shall be against the Debtor and shall be payable from and have recourse to all DIP Collateral. Except for the DIP Superpriority Claims and the Carve-Out, the Adequate Protection Claims shall not be made subject to, or *pari passu* with, any claim granted or created in the Chapter 11 Case or any Successor Case and shall be valid and enforceable against the Debtor, its estate, and any successors or assigns thereto, including, without limitation, any trustee appointed in the Chapter 11 Case or any Successor Case.

(c) *Additional Adequate Protection*.

i. The Debtor shall pay the reasonable and documented prepetition and postpetition fees and expenses of the Prepetition Agent, the other Prepetition Secured Parties, and each of their respective advisors. The payment of the fees, expenses, and disbursements set forth in this paragraph 11(c)(i) shall: (i) with respect to prepetition fees, be made within ten (10) days after the closing of the first Group 1 Asset Sale and (ii) with respect to postpetition fees, be made within ten (10) days after the receipt by the Debtor, counsel for the Creditors' Committee, counsel for any Statutory Committee, and counsel for the U.S. Trustee of the Invoiced Fees (which invoices may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney work product doctrine) and without the necessity of filing formal fee applications, including such amounts arising before and after the Petition Date; *provided* that the Debtor, the Creditors' Committee, any Statutory Committee, and the U.S. Trustee may preserve their right to dispute the payment of any portion of the Invoiced Fees if, within the Review Period, (i) the Debtor pays in full the Invoiced Fees and (ii) the Debtor, the Creditors' Committee, any Statutory Committee, or the U.S. Trustee files with the Court a motion

or other pleading, on at least ten (10) business days' prior written notice to such professional, the Prepetition Agent, and counsel for the Prepetition Agent of any hearing on such motion or other pleading, setting forth the specific objections to the Disputed Invoiced Fees. To the extent that the Court, after notice and a hearing, enters an order sustaining any such specific objections by the Debtor, the Creditors' Committee, any Statutory Committee, or the U.S. Trustee to the Disputed Invoiced Fees, other than with respect to a final invoice, any prior payment of such Invoiced Fees in the amount disallowed shall be recharacterized as payment on account of additional incurred professional fees, thereby reducing any claims on account of future payment of fees.

ii. In addition to, and without limiting, whatever rights to access the Prepetition Agent and the other Prepetition Secured Parties have under the Prepetition Obligation Documents, upon reasonable prior written notice, at reasonable times during normal business hours, and otherwise not to be unreasonably withheld, the Debtor shall permit representatives, advisors, agents, and employees of the Prepetition Agent or the other Prepetition Secured Parties (i) to have access to and inspect the Debtor's properties, (ii) to examine the Debtor's books and records, and (iii) to discuss the Debtor's affairs, finances, and condition with the Debtor's officers, management, financial advisors and counsel.

(d) *Adequate Protection Reservation.* The receipt by the Prepetition Secured Parties of the adequate protection provided herein shall not be deemed an admission that the interests of the Prepetition Secured Parties are adequately protected. Further, this Final Order shall not prejudice or limit the rights of the Prepetition Secured Parties to seek additional relief with respect to the use of Cash Collateral or for additional adequate protection, without prejudice to the right of the Debtor, the DIP Secured Parties, or any other party in interest to contest the seeking of such relief by the Prepetition Secured Parties. Nothing herein shall be deemed to waive, modify, or otherwise impair the rights of the Prepetition Agent or the other Prepetition Secured Parties under the Prepetition Loan Documents or under equity or law, and the Prepetition Agent and the other Prepetition Secured Parties expressly reserve all of their rights and remedies whether now existing or hereafter arising under the Prepetition Loan Documents and/or equity or law.

12. Amendments. The Debtor is expressly authorized and empowered to enter into amendments or other modifications of the DIP Financing Agreement and/or any other DIP Document without further order of the Court, in each case, subject to the provisions of the applicable DIP Document and in such form as the DIP Agent and the requisite DIP Lenders may agree with the Debtor in writing; *provided*, *however*, that counsel to the Creditor's Committee and

any Statutory Committee shall be provided at least two (2) business days' notice of any material amendment or other modification of the DIP Financing Agreement and/or any other DIP Document; *provided*, *further*, that no such prior notice shall be required (but prompt notice shall be given thereafter) for any amendment or modification that constitutes a forbearance from, or waiver of, in each case, subject to the required amendment and waiver thresholds set forth in the DIP Financing Agreement and subject to the sole discretion of the DIP Agent and the DIP Lenders, (a) any breach by the Debtor of a covenant, representation, or any other agreement in the DIP Financing Agreement or any other DIP Document or (b) a Default or Event of Default under the DIP Documents.

13. Budget Covenants.

(a) *Initial Budget*. The Debtor delivered to the DIP Secured Parties and the Prepetition Agent, an initial budget (the "***Budget***") approved by the DIP Secured Parties and the Prepetition Agent, which reflects, among other things, the Debtor's (i) projected operating cash receipts ("***Operating Cash Receipts***"), (ii) projected capital expenditures ("***CapEx***"), (iii) other cash disbursements (excluding CapEx) ("***Operating Cash Disbursements***"); and (iv) Estate Professionals' Allowed Professional Fees (as defined below) for each calendar week during the period from the Petition Date through and including the end of the 13th calendar week following the Petition Date. A copy of the initial Budget is attached hereto as **Exhibit 2**.

(b) *Budget Updates*. On or before 5:00 p.m. (prevailing Houston time) on the last Tuesday (or, if such Tuesday is not a Business Day, the immediately succeeding Business Day) of each rolling four-week period (each such date, a "***Reporting Date***," and each such four-week period, a "***Budget Period***"), the Debtor may provide the DIP Agent and the Committee with an updated rolling 13-week cash flow forecast of the Debtor substantially in the form of the Budget (each such forecast, in the event it proposes to modify the Budget then in effect, a "***Proposed Budget***"), which Proposed Budget, upon written approval by the DIP Agent, shall become the Budget effective as of the first Monday following such written approval (the "***Budget Effective Date***"), and each such Budget shall run from its respective effective date through the Sunday prior to the Budget Effective Date of the next Budget, *provided*, *however*, that unless and until the DIP Agent shall have approved in writing any Proposed Budget or any other proposed modification to the Budget then in effect, the Debtor shall still be subject to and be governed by the terms of such Budget then in effect in accordance with the terms of this Final Order.

(c) *Variance Reporting*.

i. On or before 5:00 p.m. (prevailing Houston time) on the first Wednesday (or, if such Wednesday is not a Business Day, the immediately preceding Business Day) following each Reporting Date (each such Wednesday, a "***Testing Date***"), the Debtor shall provide the DIP Agent and the Committee with a report of receipts and disbursements and a reconciliation of actual expenditures and disbursements with those set forth in the Budget for the immediately preceding Budget Period, which report and reconciliation shall be presented in the same form as the Budget (*i.e.*, with directly corresponding line items and variances for each on a line item by line item basis) and otherwise in form and detail reasonably satisfactory to the DIP Agent. The Debtor shall provide, and make its representatives and advisors available to representatives and advisors of the DIP Agent and the Committee to discuss qualitative explanations with respect to the foregoing.

ii. On or before 5:00 p.m. (prevailing Houston time) on Wednesday (or, if such Wednesday is not a Business Day, the immediately preceding Business Day) of each calendar week, the Debtor shall provide the DIP Agent and the Committee a weekly report of receipts and disbursements and a reconciliation of actual expenditures and disbursements with those set forth in the Budget for the prior week, which report and reconciliation shall be presented in the same form as the Budget (*i.e.*, with directly corresponding line items and variances for each on a line item by line item basis) and otherwise in form and detail reasonably satisfactory to the DIP Agent. The Debtor shall provide, and make its representatives and advisors available to representatives and advisors of the DIP Agent and the Committee to discuss, qualitative explanations with respect to the foregoing.

(d) *Authorized Variance*. As of any Testing Date, for the immediately preceding Budget Period, the Debtor shall not allow the actual (i) shortfall of Operating Cash Receipts, (ii) CapEx, (iii) Operating Cash Disbursements, and (iv) Estate Professionals' Allowed Professional Fees to exceed the amount budgeted for each therefor in the Budget for such period by more than 10% of the budgeted amount for each (the "***Authorized Variance***").

(e) *Creditor's Committee Budget*. The Budget shall include a line item for the professional fees of the professionals retained by the Creditors' Committee in the amount of $400,000.00 for the first (4) months of the bankruptcy case that includes $25,000.00 in professional fees that the professionals retained by the Creditors' Committee may use to investigate (and, if necessary, challenge) the Prepetition Liens (but not the post-petition liens granted hereunder).

14. Modification of Automatic Stay. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified as necessary to permit: (a) the Debtor to grant the DIP

Liens and the DIP Superpriority Claims, and to perform any and all acts as the DIP Agent may request to assure the perfection and priority of the DIP Liens; (b) the Debtor to grant the Adequate Protection Liens and the Adequate Protection Claims, in each case as set forth herein, and to perform any and all acts to ensure that the Adequate Protection Liens are perfected and maintain the priority set forth herein; (c) the Debtor to incur any and all liabilities and obligations, including all the DIP Obligations and the Adequate Protection obligations, as contemplated under this Final Order and the DIP Documents; (d) the Debtor to pay any and all amounts as provided herein and in the DIP Documents; (e) the DIP Secured Parties and the Prepetition Secured Parties to retain and apply payments made in accordance with the DIP Documents and this Final Order; (f) subject to paragraph 17 hereof (*Rights and Remedies*), the DIP Agent, on behalf of the DIP Secured Parties, the Prepetition Agent, on behalf of the Prepetition Secured Parties, and Cargill to exercise the rights and remedies provided for under this Final Order, the DIP Documents, and the Prepetition Obligation Documents, as applicable; and (g) the implementation of any and all of the other terms, rights, benefits, privileges, remedies, and provisions of this Final Order and the DIP Documents.

15. Perfection of DIP Liens and Postpetition Liens. The (a) DIP Liens granted to the DIP Agent for the benefit of the DIP Secured Parties pursuant to this Final Order and the DIP Documents, and the (b) Adequate Protection Liens granted to the Prepetition Secured Parties pursuant to this Final Order shall be valid, enforceable, and perfected by operation of law upon entry of this Final Order by the Court without any further action by any party. Neither the DIP Secured Parties with respect to the DIP Liens, nor the Prepetition Secured Parties with respect to the Adequate Protection Liens, shall be required to enter into or to obtain any security agreements, control agreements, landlord waivers, mortgagee waivers, bailee waivers, or warehouseman

waivers or to give, file, or record any UCC-1 financing statements, mortgages, deeds of trust, leasehold mortgages, notices to account debtors or other third parties, notices of lien, or similar instruments in any jurisdiction (including filings with the United States Patent and Trademark Office, the United States Copyright Office, or any similar agency with respect to trademarks, copyrights, trade names, or patents with respect to intellectual property) (collectively, the "***Perfection Documents***"), or obtain consents from any licensor or similarly situated party in interest, or take any other action to validate, record, or perfect the DIP Liens granted under the DIP Documents and/or this Final Order and the Adequate Protection Liens granted under this Final Order and approved hereby, all of which are automatically and immediately perfected by the entry of this Final Order. If the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties, independently or collectively, in each of their sole discretion, choose to obtain, enter into, give, record, or file any Perfection Documents, (x) all such Perfection Documents shall be deemed to have been obtained, entered into, given, recorded, or filed, as the case may be, as of the Petition Date, (y) no defect in any such act shall affect or impair the validity, perfection, priority, or enforceability of the DIP Liens and Adequate Protection Liens, and (z) such liens shall have the relative priority set forth herein notwithstanding the timing of the execution, delivery, or filing of any such Perfection Documents. In lieu of optional recording or filing any Perfection Documents, the DIP Agent, DIP Lenders, and the Prepetition Agent may, in each of their sole discretion, choose to record or file a true and complete copy of this Final Order in any place that any Perfection Document would or could be recorded or filed (which may include a description of the collateral appropriate to be indicated in a recording or filing at such place of recording or filing), and such recording or filing by the DIP Agent, the DIP Lenders, and the Prepetition Agent shall have the same effect as if such Perfection Document had been filed or recorded as of the Petition Date. In

addition, the DIP Agent may, in its sole discretion, at the Debtor's expense, require the Debtor to execute, deliver, file, or record any Perfection Document. The Debtor is authorized and directed to execute and deliver promptly upon demand to the DIP Agent all Perfection Documents as the DIP Agent may request.

16. Disposition of DIP Collateral and Prepetition Collateral. The Debtor shall not sell, transfer, lease, encumber, or otherwise dispose (including through any casualty and condemnation events) of any portion of the DIP Collateral or the Prepetition Collateral (or enter into any binding agreement to do so) (such sales, transfers, leases, encumbrances and other dispositions, collectively, the "***Collateral Sales***") other than as permitted by the DIP Documents and this Final Order. All net cash proceeds of any Collateral Sales shall be paid to the DIP Agent or applied in accordance with the DIP Documents and Transaction Support Agreement (the "***TSA***"), attached hereto as **Exhibit 3**; provided that, this Final Order shall in no way be construed as approving and/or authorizing the TSA and all parties reserve their rights relating thereto. The Debtor shall not use, sell, or lease any assets outside the ordinary course of business that have a value in excess of $5,000, or seek authority of the Court to do any of the foregoing, without the prior written consent of the DIP Agent at least five Business Days prior to the date on which the Debtor seeks the authority of the Court for such use, sale, or lease, including, without limitation, with respect to any sale or sale process under section 363 of the Bankruptcy Code.

17. Rights and Remedies.

(a) Without requiring further order from the Bankruptcy Court and without the need for filing any motion for relief from the automatic stay or any other pleading, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the DIP Agent to, immediately upon the occurrence and during the continuance of any Event of Default, (a) send written notice of the occurrence of an Event of Default to the Debtor, the Creditors' Committee, any Statutory Committee, and the U.S. Trustee (such notice, the "***Event of Default Notice***") and/or (b) without limitation and without prior notice,

terminate commitments under the DIP Documents, pursuant to and subject to the terms and conditions set forth in the DIP Financing Agreement and in this Final Order. Upon the occurrence and during the continuation of an Event of Default, the DIP Agent may file a motion on shortened notice seeking relief from the automatic stay (the "***Stay Relief Motion***") in order to (a) accelerate the DIP Obligations and (b) permit the DIP Lenders to exercise any or all of their rights and remedies set forth in the DIP Orders or the DIP Loan Documents, including without limitation, directing the DIP Agent to foreclose on the DIP Collateral. The Debtor shall not object to the Stay Relief Motion being heard on shortened notice so long as the Stay Relief Motion is heard on at least five (5) business days' notice. After the DIP Agent has sent the Event of Default Notice, any obligation otherwise imposed on the DIP Lenders to provide any loans or advances under the DIP Facility shall be immediately suspended, unless otherwise ordered by the Court or to fund the Carve-Out as provided herein.

(b) Upon the occurrence and during the continuation of a Cash Collateral Default, the Prepetition Secured Parties may file a Stay Relief Motion in order to permit the Prepetition Secured Parties to exercise any or all of their rights and remedies set forth in the DIP Orders or Prepetition Obligation Documents, including without limitation, foreclosing on the Prepetition Collateral. The Debtor shall not object to the Stay Relief Motion being heard on shortened notice so long as the Stay Relief Motion is heard on at least five business days' notice.

(c) Until such time that the Stay Relief Motion has been adjudicated by the Court, the Debtor may (i) use the proceeds of the DIP Facility (to the extent drawn prior to the occurrence of Event of Default) and/or Cash Collateral to (x) fund operations in accordance with the DIP Financing Agreement and the Budget and (y) fund the Carve-Out and (ii) seek a determination at the hearing on such Stay Relief Motion whether an Event of Default or Cash Collateral Default has occurred, and the appropriate remedy if an Event of Default or Cash Collateral Default has occurred. Notwithstanding the occurrence of an Event of Default, the Maturity Date, and/or termination of the commitments under the DIP Financing Agreement, all of the rights, remedies, benefits, and protections provided to the DIP Secured Parties under the DIP Loan Documents and this Final Order shall survive.

18. Survival. Unless the DIP Agent, the DIP Lenders, the Prepetition Agent, and the Prepetition Lenders have otherwise agreed in writing, the provisions of this Final Order and any actions taken pursuant hereto shall survive the entry of any subsequent order (other than entry of any subsequent Final Order into which it shall merge), and the rights, remedies, powers, privileges, liens, claims, and priorities of the DIP Agent, DIP Lenders, and Prepetition Secured Parties provided for in this Final Order and in any DIP Document shall not be modified, altered, or

impaired in any manner by any order, including any order (a) confirming any plan of reorganization or liquidation in the Chapter 11 Case (and, to the extent not indefeasibly paid in full in cash, the DIP Obligations shall not be discharged by the entry of any such order, or pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtor having hereby waived such discharge); (b) converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code; (c) dismissing the Chapter 11 Case; or (d) entered in any superseding case under the Bankruptcy Code. The terms and provisions of this Final Order, as well as the DIP Obligations, DIP Liens, DIP Superpriority Claims, DIP Documents, Adequate Protection Liens, and Adequate Protection Claims, shall continue in full force and effect notwithstanding the entry of any such order, and such rights, claims, and liens shall maintain their priority as provided by this Final Order and the DIP Documents to the maximum extent permitted by law until all of the DIP Obligations and the Adequate Protection Claims are indefeasibly paid in full in cash.

19. Good Faith. The DIP Facility, the use of Cash Collateral, and the other provisions of this Final Order, the DIP Financing Agreement, and the other DIP Documents have been negotiated in good faith and at arm's length among the Debtor, the DIP Agent, the DIP Lenders, and the Prepetition Secured Parties, and the extension of the financial accommodations to the Debtor by the DIP Agent, DIP Lenders, and Prepetition Secured Parties pursuant to this Final Order and the DIP Documents have been and are deemed to be extended in good faith, as that term is used in section 364(e) of the Bankruptcy Code. The DIP Agent, DIP Lenders, and Prepetition Secured Parties are entitled to, and are hereby granted, the full protections of section 364(e) of the Bankruptcy Code.

20. Subsequent Reversal or Modification. If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated, or stayed, that action will not affect (a) the validity

of any obligation, indebtedness, or liability under this Final Order and the DIP Documents by the Debtor prior to the date of receipt of written notice to the DIP Agent and Prepetition Agent of the effective date of such action; or (b) the validity and enforceability of any lien, administrative expense, right, or priority authorized or created pursuant to this Final Order and the DIP Documents, including, without limitation, the DIP Obligations, the DIP Liens, the DIP Superpriority Claims, the Prepetition Secured Obligations, the Adequate Protection Liens, and the Adequate Protection Claims. Notwithstanding any such reversal, stay, modification, or vacatur, any postpetition indebtedness, obligation, or liability incurred by the Debtor to the DIP Agent, DIP Lenders, and Prepetition Secured Parties prior to written notice to the DIP Agent and the Prepetition Agent of the effective date of such action, shall be governed in all respects by the original provisions of this Final Order and the DIP Documents, and the DIP Secured Parties and the Prepetition Secured Parties shall be entitled to all the rights, remedies, privileges, and benefits granted pursuant to this Final Order and the DIP Documents.

21. Indemnification. The Debtor shall indemnify the DIP Agent and DIP Secured Parties and their respective affiliates, successors, and assigns and the officers, directors, employees, agents, advisors, controlling persons, and members of each of the foregoing (each, an "***Indemnified Person***") and hold each of them harmless from and against all costs, expenses (including reasonable fees, disbursements, and other charges of counsel) and liabilities of such Indemnified Person arising out of or relating to any claim or any litigation or other proceeding (regardless of whether such Indemnified Person is a party thereto and regardless of whether such matter is initiated by a third party or by the Debtor or any of its affiliates or shareholders) that relates to the DIP Facility or this Final Order, including the financing contemplated hereby, the Chapter 11 Case, or any transactions in connection therewith; *provided* that no Indemnified Person

will be indemnified for any cost, expense, or liability to the extent determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted primarily from such person's gross negligence or willful misconduct. Nothing herein is meant to limit the scope of any indemnity provided for the benefit of the DIP Agent or the DIP Secured Parties in the DIP Documents. This paragraph does not apply or otherwise affect any indemnification rights or obligations with respect to the Prepetition Secured Parties under the Prepetition Loan Documents.

22. Proofs of Claim. Notwithstanding any order to the contrary entered by the Court in relation to the establishment of a bar date in the Chapter 11 Case or any Successor Case, (i) none of the Prepetition Secured Parties shall be required to file proofs of claim in the Chapter 11 Case or any Successor Case, and the Debtor's stipulations herein shall be deemed to constitute a timely filed proof of claim against the Debtor, (ii) the Prepetition Agent, on behalf of itself and the other Prepetition Secured Parties, is hereby authorized, but not required, in its sole discretion to file (and amend and/or supplement as it sees fit) a master proof of claim against the Debtor on account of the prepetition claims arising under the Prepetition Loan Documents, and (iii) the Prepetition Agent shall not be required to file a verified statement pursuant to Bankruptcy Rule 2019; *provided* that nothing herein shall waive the right of any Prepetition Secured Party to file its own proofs of claim against the Debtor.

23. Carve-Out.

(a) *Generally*. The DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens, and the Adequate Protection Claims, shall be subject to the payment, without duplication, of the following fees and expenses (the amounts set forth below, together with the limitations set forth therein, collectively, the "***Carve-Out***"):

i. all fees required to be paid to the Clerk of the court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the Carve-Out Trigger Notice (as defined below));

ii. allowed (regardless of whether allowed by the Court before or after delivery of a Carve-Out Trigger Notice), accrued, and unpaid fees and out-of-pocket expenses ("***Allowed Professional Fees***") of each professional retained by order of the Court by the Debtor pursuant to sections 327, 328, or 363 of the Bankruptcy Code (the "***Debtor Professionals***"), the Creditors' Committee, any other Statutory Committee pursuant to section 328 or 1103 of the Bankruptcy Code (together with the Debtor Professionals and Creditors' Committee, the "***Estate Professionals***") incurred on or prior to the date on which the DIP Agent delivers a Carve-Out Trigger Notice in aggregate accrued amounts for each such Estate Professional not in excess of the amounts set forth in the Budget for such Estate Professional through such date; and

iii. Allowed Professional Fees of Estate Professionals in an aggregate amount not to exceed $50,000 incurred on and after the first Business Day following delivery by the DIP Agent of the Carve-Out Trigger Notice (such first Business Day, the "***Post-Carve-Out Date***"), to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause being the "***Post-Carve-Out Trigger Notice Cap***").

(b) *Carve-Out Trigger Notice*. For purposes of the foregoing, the term "***Carve-Out Trigger Notice***" shall mean a written notice delivered by electronic mail (or other electronic means) by the DIP Agent to the Debtor, its counsel, the U.S. Trustee, counsel for the Creditors' Committee, and counsel for any other Statutory Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default or Cash Collateral Default, stating that the Post-Carve-Out Trigger Notice Cap has been invoked.

(c) *Reduction of Amounts*. The fixed dollar amount of $50,000 available to be paid under the Post-Carve-Out Trigger Notice Cap on and after the Post-Carve-Out Date on account of allowed fees and expenses incurred on and after the Post-Carve-Out Date shall be reduced, dollar-for-dollar, by the aggregate amount of payments made on and after the Post-Carve-Out Date on account of fees and expenses incurred on and after the Post-Carve-Out Date to Estate Professionals (whether from Cash Collateral, any proceeds of DIP Financing, or otherwise). There is no limitation on the obligations of the Debtor and its estate with respect to unpaid fees payable to the U.S. Trustee and Clerk of the Bankruptcy Court pursuant to section 1930 of title 28 of the United States Code.

(d) *Reservation of Rights*. Allowed Professional Fees, other than as set forth in paragraphs 8(c) and 11(c), will only be payable upon entry of appropriate order(s) of the Court authorizing payment of such Allowed Professional Fees. The DIP Agent and Prepetition Secured Parties reserve their rights to object to the allowance of any fees and expenses, including, without limitation, any fees and expenses sought that are provided for in the Budget. The payment of any fees or expenses of the Estate Professionals pursuant to the Carve-Out shall not, and shall not be deemed to, (i) reduce the Debtor's obligations owed to any of the DIP Secured

Parties, Prepetition Secured Parties, or to any holder of a Permitted Prior Lien, or (ii) modify, alter, or otherwise affect any of the liens and security interests of such parties in the DIP Collateral or Prepetition Collateral (or their respective claims against the Debtor). The DIP Agent, the DIP Lenders, and the Prepetition Secured Parties shall not be responsible for the direct payment or reimbursement of any fees or disbursements of any of the Estate Professionals, the U.S. Trustee, or the Clerk of the Bankruptcy Court (or of any other entity) incurred in connection with the Chapter 11 Case or any Successor Case, and nothing in this Final Order or otherwise shall be construed to obligate such parties in any way to pay such compensation to or to reimburse such expenses.

24. Effect of Stipulations on Third Parties.

(a) *Generally*. The admissions, stipulations, and agreements set forth in this Final Order (collectively, the "***Prepetition Lien and Claim Matters***") are and shall be binding on the Debtor, any subsequent trustee, responsible person, examiner with expanded powers, any other estate representative, and all parties in interest and all of its successors in interest and assigns, including, without limitation, any Committee (subject to paragraph 25), unless, and solely to the extent that, any Committee or party in interest (other than the Debtor, as to which any Challenge (as defined below) is irrevocably waived and relinquished) (i) has timely filed the appropriate pleadings, and timely commenced the appropriate proceeding required under the Bankruptcy Code and Bankruptcy Rules, (in each case subject to the limitations set forth in paragraph 27 of this Final Order) challenging the Prepetition Lien and Claim Matters (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a "***Challenge***") by no later than (A) with respect to parties in interest other than any the Creditors' Committee and any Statutory Committee, April 20, 2019, (B) with respect to the Creditors' Committee, May 29, 2019, and (C) with respect to any Statutory Committee, 45 days from the appointment of such Statutory Committee, if any (as applicable for clauses (A),(B), and (C), the "***Challenge Deadline***"), as such applicable date may be extended in writing from time to time in the sole discretion of the Prepetition Agent, and (ii) this Court enters judgment in favor of the plaintiff or movant in any such timely and properly commenced Challenge proceeding and any such judgment has become a final judgment that is not subject to any further review or appeal.

(b) *Binding Effect*. To the extent no Challenge is timely and properly commenced by the Challenge Deadline, or to the extent such proceeding does not result in a final and non-appealable judgment or order of this Court that is inconsistent with the Prepetition Lien and Claim Matters, then, without further notice, motion, or application to, order of, or hearing before, this Court and without the need or requirement to file any proof of claim, the Prepetition Lien and Claim Matters shall, pursuant to this Final Order, become binding, conclusive, and final on any person, entity, or party in interest in the Chapter 11 Case, and its successors and assigns, and in any Successor Case for all purposes and shall not be subject to challenge or objection by any party in interest, including, without limitation, a trustee, responsible individual, examiner with expanded powers, or other representative of

> the Debtor's estate. Notwithstanding anything to the contrary herein, if any such proceeding is properly and timely commenced, the Prepetition Lien and Claim Matters shall nonetheless remain binding on all other parties in interest and preclusive as provided in subparagraph (a) above except to the extent that any of such Prepetition Lien and Claim Matters are expressly the subject of a timely and properly filed Challenge, which Challenge is successful as set forth in a final judgment as provided in this paragraph 24(a), and only as to plaintiffs or movants that have complied with the terms hereof. To the extent any such Challenge proceeding is timely and properly commenced, the Prepetition Secured Parties shall be entitled to include the related costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred in defending themselves in any such proceeding pursuant to the Prepetition Loan Documents.

25. For the avoidance of doubt (and notwithstanding anything to the contrary), the Creditors' Committee shall have the right to Challenge (i) the stipulations made herein pursuant to paragraph 7 that begins on page 5, (ii) the release made herein pursuant to paragraph 8 that begins on page 6, and (iii) the indemnity granted herein pursuant to paragraph 21 that begins on page 25 (for purposes of this paragraph only, the "***Specified Protections***") in each case subject to the Challenge procedures set forth herein and none of the Specified Protections shall be binding on the Creditors' Committee until the expiration of the applicable Challenge Deadline.

26. Debtor's Reservation of Rights. Notwithstanding anything to the contrary in this Final Order, following receipt of a Notice of Default, the Debtor may seek authority to use the Cash Collateral without the consent of the Prepetition Secured Parties, and the Prepetition Secured Parties reserve all rights to contest such request.

27. Limitation on Use of Proceeds. Notwithstanding anything in this Final Order to the contrary, no portion or proceeds of the DIP Facility, the DIP Collateral, the Prepetition Collateral, the Cash Collateral, or the Carve-Out, and no disbursements set forth in the Budget, shall be used for the payment of professional fees, disbursements, costs, or expenses incurred in connection with: (a) objecting, contesting, or raising any defense to the validity, perfection, priority, or enforceability of, or any amount due under, the DIP Documents or the Prepetition Loan

Documents, or any security interests, liens, or claims granted under this Final Order, the DIP Documents, or the Prepetition Loan Documents to secure such amounts; (b) asserting any Challenges, claims, actions, or causes of action against any of the DIP Agent, the DIP Lenders, the Prepetition Secured Parties, or any of their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys, or advisors; (c) preventing, hindering, or otherwise delaying enforcement or realization on the DIP Collateral or the Prepetition Collateral; (d) seeking to amend or modify any of the rights granted to the DIP Agent, the DIP Lenders, the Prepetition Secured Parties under this Final Order, the DIP Documents, or the Prepetition Loan Documents, including seeking to use Cash Collateral and/or DIP Collateral on a contested basis; or (e) contesting the Prepetition Lien and Claim Matters. The limitations on the payment of fees and expenses in this paragraph do not apply to fees and expenses attributable to actions arising under paragraph 17 of this Final Order. Notwithstanding anything to the contrary in this paragraph or otherwise, no more than $25,000 of the Cash Collateral in the aggregate may be used by the Committee to investigate the validity, enforceability or priority of the Prepetition Obligations, the Prepetition Liens, the Cargill Prepetition Obligations, and any liens granted pursuant to the Prepetition ISDA Master Agreement or any action against the Prepetition Secured Parties; provided, for the avoidance of doubt, that any fees and/or expenses in excess of the $25,000 incurred in connection with the foregoing and allowed by the Bankruptcy Court under Bankruptcy Code sections 328, 330, 331, and/or 503(b) shall be permitted to be paid in accordance with applicable orders of this Court including any interim compensation orders, provided, further, that the administrative expenses in respect thereof shall be subordinate to the Carve Out and the Adequate Protection Obligations

28. No Third-Party Beneficiary. Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any third party, creditor, equity holder, or any direct, indirect, or incidental beneficiary.

29. Waiver of Right to Surcharge. Each of (a) the provisions of section 506(c) of the Bankruptcy Code, and (b) any "equities of the case" claims or other claims under sections 105(a) or 552(b) of the Bankruptcy Code are and shall be waived as to the DIP Secured Parties, the Prepetition Secured Parties, the DIP Obligations, the Prepetition Obligations, the DIP Liens, the Prepetition Liens, the DIP Collateral, the Prepetition Collateral, the Adequate Protection Liens, and the Adequate Protection Claims. Accordingly, no costs or expenses of administration or other charge, lien, assessment, or claim incurred at any time (including, without limitation, any expenses set forth in the Budget) by any Debtor or any other person or entity shall be imposed or charged against any or all of the DIP Collateral (whether to secure the DIP Superpriority Claims or the Adequate Protection Claims), the Prepetition Collateral, the DIP Secured Parties, and the Prepetition Secured Parties or their respective claims or recoveries under the Bankruptcy Code, including under sections 105(a), 506(c), 552(b) thereof, or otherwise, and the Debtor, on behalf of its estate, waives any such rights. It is expressly understood by all parties that, *inter alia*, in providing the DIP Facility and agreeing to the use of Cash Collateral as provided herein, the DIP Secured Parties and the Prepetition Secured Parties each have relied on the foregoing provisions of this paragraph. Notwithstanding any approval of or consent to the Budget, nothing in this Final Order shall constitute or be deemed to constitute the consent by any of the DIP Secured Parties and the Prepetition Secured Parties to the imposition of any costs or expense of administration or other charge, lien, assessment, or claim (including, without limitation, any amounts set forth in the Budget) against such party, its claims, or its collateral under sections 105(a), 506(c), or 552(b) of

the Bankruptcy Code or otherwise and no such consent shall be implied from any other action or inaction by such parties.

30. No Marshaling. In no event shall any DIP Secured Party or Prepetition Secured Party be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to any DIP Collateral or Prepetition Collateral, as applicable, except as noted otherwise herein.

31. Right to Credit Bid. Pursuant to section 363(k) of the Bankruptcy Code, (a) the DIP Agent shall have the right, in accordance with the DIP Financing Agreement, on behalf of the DIP Secured Parties, to credit bid up to the full amount of the DIP Superpriority Claims in any sale of the DIP Collateral (except the Group 1 Assets), and (b) the Prepetition Agent shall have the right, in accordance with the Prepetition Loan, on behalf of the Prepetition Secured Lenders, to credit bid up to the full amount of the Prepetition Secured Lenders' claims (including, without limitation, the Adequate Protection Claims) in any sale of the Prepetition Collateral (except the Group 1 Assets), or, with respect to Adequate Protection Claims, the DIP Collateral, in each case under clauses (a) and (b) of this paragraph 31 as provided for in section 363(k) of the Bankruptcy Code and without the need for further Court order authorizing the same and whether any such sale is effectuated through section 363(k) or 1129(b) of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise.

32. Additional Defaults. Without limitation of the Events of Default set forth in and defined in the DIP Documents or this Final Order, the following shall be a default hereunder and constitute an "Event of Default" and a "Cash Collateral Default":

(a) the entry of an order dismissing or converting the Chapter 11 Case under section 1112 of the Bankruptcy Code or appointing a chapter 11 trustee or an examiner or other estate representative with expanded powers;

(b) the sale of all or substantially all of the assets of the Debtor without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be

implied by any other action, inaction, or acquiescence by the DIP Agent or the Prepetition Agent;

(c) any modification or extension of this Final Order without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied by any other action, inaction, or acquiescence by the DIP Agent or the Prepetition Agent;

(d) except as expressly set forth herein or in the DIP Documents, granting or imposing, under section 364 of the Bankruptcy Code or otherwise, liens or security interests in any DIP Collateral or Prepetition Collateral, whether senior, equal, or subordinate to the liens and security interests of the DIP Agent and the Prepetition Agent, as applicable;

(e) using, or seeking to use, Cash Collateral in violation of this Final Order or the DIP Documents;

(f) modifying or affecting any of the rights of the DIP Secured Parties or the Prepetition Secured Parties under this Final Order or the DIP Documents by any plan of reorganization or liquidation proposed or confirmed in the Chapter 11 Case or subsequent order entered in the Chapter 11 Case; and

(g) the TSA shall cease to be in full force and effect, declared to be null and void, or any party thereto repudiates its obligations thereunder, *provided that* in accordance with Section 4.01 of the TSA, (i) the milestone in 4.01(g) (the Wind Down) of the TSA has been extended to April 15, 2019, (ii) the milestone in 4.01(h) (filing the Disclosure Statement and Plan) has been extended to April 15, 2019, and (iii) the milestone in 4.01(i) (entry of the Final Financing Order) has been extended to April 2, 2019.

Any order for dismissal or conversion shall be automatically deemed to preserve the rights of the DIP Secured Parties and the Prepetition Secured Parties under this Final Order and shall preserve the Carve-Out. If an order dismissing the Chapter 11 Case under section 305 or 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall be deemed to provide that the DIP Liens and DIP Superpriority Claims granted to the DIP Secured Parties hereunder and in the DIP Documents, as the case may be, and the Carve-Out shall continue in full force and effect, shall remain binding on all parties in interest, and shall maintain their priorities as provided in this Final Order until all DIP Obligations and indebtedness owing to the DIP Secured Parties under the DIP Documents shall have been indefeasibly paid in full in cash and the DIP Lenders' obligations

and commitments under the DIP Documents shall have been terminated, and the Court shall retain jurisdiction, notwithstanding such dismissal, for purposes of enforcing the DIP Obligations, DIP Liens, DIP Superpriority Claims, Adequate Protection Liens, Adequate Protection Claims, other protections granted to the DIP Secured Parties and Prepetition Secured Parties pursuant to this Final Order, and the Carve-Out.

33. Discharge. The DIP Obligations and the obligations of the Debtor with respect to the Adequate Protection provided herein shall not be discharged by the entry of an order confirming any plan of reorganization or liquidation in the Chapter 11 Case, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, unless such obligations have been indefeasibly paid in full, in cash, on or before the effective date of such confirmed plan of reorganization, or each of the DIP Agent and the DIP Lenders, and each of the Prepetition Agent and the Required Prepetition Lenders, as applicable, has otherwise provided its prior written consent. The Debtor shall not propose or support any plan of reorganization or liquidation or sale of all or substantially all of the Debtor's assets, or order confirming such plan or approving such sale, that is not conditioned upon the indefeasible payment of the DIP Obligations, and the payment of the Debtor's obligations with respect to the Adequate Protection provided for herein, in full in cash within a commercially reasonable period of time (and in no event later than the effective date of such plan of reorganization or liquidation or sale) except for sales contemplated in the TSA, which are expressly not prohibited (a "***Prohibited Plan or Sale***") without the prior written consent of each of the DIP Agent and the DIP Lenders, and each of the Prepetition Agent and the Required Prepetition Lenders. For the avoidance of doubt, the Debtor's proposal or support of a Prohibited Plan or Sale, or the entry of an order with respect thereto, shall constitute a Cash Collateral Default and an Event of Default hereunder and under the DIP Documents.

34. No Waiver. This Final Order shall not be construed in any way as a waiver or relinquishment of any rights that the DIP Secured Parties and Prepetition Secured Parties may have to bring or be heard on any matter brought before the Court. Except as expressly set forth herein, nothing contained in this Final Order (including, without limitation, the authorization to use any Cash Collateral) shall impair, prejudice, or modify any rights, claims, or defenses available in law or equity to the DIP Agent on behalf of the DIP Secured Parties or Prepetition Secured Parties, including, without limitation, the right to (a) request conversion of the Chapter 11 Case to chapter 7, (b) seek to terminate the exclusive rights of the Debtor to file, and solicit acceptances of, a plan of reorganization under section 1121 of the Bankruptcy Code or propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans, (c) object to the fees and expenses of any Estate Professional, and (d) seek relief from the automatic stay. All such rights, claims, and defenses, and the rights, objections, and defenses of all parties in connection therewith, are hereby reserved. Further, the failure, at any time or times hereafter, of the DIP Secured Parties or the Prepetition Secured Parties to require strict performance by the Debtor of any provision of this Final Order or the DIP Documents shall not waive, affect, or diminish any right of such parties thereafter to demand strict compliance and performance therewith. No consents required hereunder by any of the DIP Secured Parties or the Prepetition Secured Parties shall be implied by any inaction or acquiescence by any of the DIP Secured Parties or the Prepetition Secured Parties.

35. Local Texas Tax Authorities.

(a) The liens allegedly held by Anderson County, Brazos County, Cherokee County, Freestone County, Henderson County, Buffalo ISD, Cherokee CAD, Leon ISD, City of Centerville, and Leon County (collectively, the "***Local Texas Tax Authorities***") or which shall arise during the course of this case pursuant to applicable non-bankruptcy law, if any, shall, to the extent valid, binding, enforceable, perfected, and non-avoidable, neither be primed by nor subordinated

to any liens granted thereby or pursuant to this Order. Furthermore, from the proceeds of the sale of any of the Debtor's assets located in the state of Texas, the amount of $44,546.17 shall be set aside by the Debtor in a segregated account as adequate protection for the asserted secured claims of the Local Texas Tax Authorities prior to the distribution of any proceeds to any other creditor. The liens of the Local Texas Tax Authorities, if any, shall attach to these proceeds to the same extent and with the same priority as the liens they now hold against the property of the Debtor. These funds shall be on the order of adequate protection and shall constitute neither the allowance of the claims of the Local Texas Tax Authorities, nor a cap on the amounts they may be entitled to receive. Furthermore, the claims and liens of the Local Texas Tax Authorities shall remain subject to any objections any party would otherwise be entitled to raise as to the amount of such claims and the priority, validity or extent of such liens. These funds may be distributed upon agreement between the Local Texas Tax Authorities, the Debtor, and the Pre-Petition Agent and/or DIP Agent, or by subsequent order of the Court, duly noticed to the Local Texas Tax Authorities and the Pre-Petition Agent and DIP Agent.

(b) The liens allegedly held by Nacogdoches County, Central Heights ISD, Chireno ISD, Cushing ISD, Douglass ISD, Etolie ISD, Garrison ISD, Martinsville ISD, Woden ISD, City of Cushing, City of Garrison, City of Nacogdoches, Nacogdoches County ESD #1, Nacogdoches County ESD #2, Nacogdoches County ESD #3, Nacogdoches County ESD #4, Nacogdoches County ESD #6, Nacogdoches County MUD #1, Houston County, and Tyler ISD (collectively, the "***NAC Local Texas Tax Authorities***") or which shall arise during the course of this case pursuant to applicable non-bankruptcy law, if any, shall, to the extent valid, binding, enforceable, perfected, and non-avoidable, neither be primed by nor subordinated to any liens granted thereby or pursuant to this Order. Furthermore, from the proceeds of the sale of any of the Debtor's assets located in the state of Texas, the amount of $70,621.74 shall be set aside by the Debtor in a segregated account as adequate protection for the asserted secured claims of the NAC Local Texas Tax Authorities prior to the distribution of any proceeds to any other creditor. The liens of the NAC Local Texas Tax Authorities, if any, shall attach to these proceeds to the same extent and with the same priority as the liens they now hold against the property of the Debtor. These funds shall be on the order of adequate protection and shall constitute neither the allowance of the claims of the NAC Local Texas Tax Authorities, nor a cap on the amounts they may be entitled to receive. Furthermore, the claims and liens of the NAC Local Texas Tax Authorities shall remain subject to any objections any party would otherwise be entitled to raise as to the amount of such claims and the priority, validity or extent of such liens. These funds may be distributed upon agreement between the NAC Local Texas Tax Authorities, the Debtor, and the Pre-Petition Agent and/or DIP Agent, or by subsequent order of the Court, duly noticed to the NAC Local Texas Tax Authorities and the Pre-Petition Agent and DIP Agent.

(c) The liens allegedly held by Angelina County, Gregg County, Jasper County, Madison County, Normangee Independent School District, Rusk County, Sabine County, San Augustine County and Smith County (collectively, the "***Taxing***

Authorities") or which shall arise during the course of this case pursuant to applicable non-bankruptcy law, if any, shall, to the extent valid, binding, enforceable, perfected, and non-avoidable, neither be primed by nor subordinated to any liens granted thereby or pursuant to this Order. Furthermore, from the proceeds of the sale of any of the Debtor's assets located in the state of Texas, the amount of $162,000 shall be set aside by the Debtor in a segregated account as adequate protection for the asserted secured claims of the Taxing Authorities prior to the distribution of any proceeds to any other creditor. The liens of the Taxing Authorities, if any, shall attach to these proceeds to the same extent and with the same priority as the liens they now hold against the property of the Debtor. These funds shall be on the order of adequate protection and shall constitute neither the allowance of the claims of the Taxing Authorities, nor a cap on the amounts they may be entitled to receive. Furthermore, the claims and liens of the Taxing Authorities shall remain subject to any objections any party would otherwise be entitled to raise as to the amount of such claims and the priority, validity or extent of such liens. These funds may be distributed upon agreement between the Taxing Authorities, the Debtor, and the Pre-Petition Agent and/or DIP Agent, or by subsequent order of the Court, duly noticed to the Taxing Authorities and the Pre-Petition Agent and DIP Agent.

36. Purported Mineral Lienholders.

(a) Halliburton Energy Services, Bass Energy Services, Quintana Energy Services, Key Energy Services, Axis Energy Services, Pioneer Well Services, and Red Dog Oil Tools, Inc. (collectively, the "***Purported Mineral Lienholders***") have filed, or may file in the future, lien claims pursuant to Chapter 56 of the Texas Property Code, or other applicable authority for a state in which the Debtor holds a real property interest, and thus have asserted or may assert liens against leases and related property of the Debtor as allowed under applicable authority (the "***Purported Mineral Liens***"). As a result, the Purported Mineral Lienholders assert that all production revenues or proceeds from the encumbered property are the cash collateral of the Purported Mineral Lienholders with valid, binding, enforceable, perfected, non-avoidable Mineral Liens ("***Mineral Lien Cash Collateral***"). The Debtor and all other parties (including the Committee and the Prepetition Secured Parties) reserve all rights with respect to any alleged claims or liens, including the validity, priority, or extent of any such liens, of each of the Purported Mineral Lienholders (including, without limitation, the Purported Mineral Liens) and do not, through entry of this Final Order, admit that any of the Purported Lienholders hold any claims or liens against the Debtor's estate or any property of the Debtor's estate and/or the validity, priority, or extent of any such claims or liens.

(b) In the event that a Purported Mineral Lien is determined by the Court, after notice and a hearing, to constitute a valid, binding, enforceable, perfected, non-avoidable lien in existence on the Petition Date (including any lien that is perfected after the Petition Date with a priority that relates back to a date prior to the Petition Date as permitted under Bankruptcy Code section 546(b)) against the Prepetition Collateral that is senior to the Prepetition Obligations, and to the extent the Debtor's use, sale,

or lease of Mineral Lien Cash Collateral from and after the Petition Date results in the diminution in the value of a Purported Mineral Lienholder's interest in the property encumbered by the Purported Mineral Lienholder's Mineral Lien, such Purported Mineral Lienholder shall be granted, pursuant to 11 U.S.C. §§ 361 and 363 or other applicable authority, solely to the extent of such diminution: (i) effective as of the Petition Date, valid and automatically perfected replacement liens and security interests in the DIP Collateral, and only to the extent of any diminution in the value of the Purported Lienholders' respective interests in the property encumbered by the Purported Mineral Liens during this chapter 11 case ("***Purported Lienholder's Adequate Protection Liens***"); or (ii) other or additional adequate protection as may be granted by the Court or agreed to by the parties.

(c) If the Court determines that the holder of any Purported Mineral Lien is entitled to a Purported Lienholder's Adequate Protection Lien in accordance with this paragraph 36, then such Purported Lienholder's Adequate Protection Lien shall be afforded the same priority as existed in the Purported Mineral Lien prior to the Petition Date.

(d) If the Court determines after notice and a hearing that the extent to the value of a Purported Lienholder's Adequate Protection Lien does not adequately protect the Purported Mineral Lienholder from any diminution in value of its Purported Mineral Lien resulting from the Debtor's sale, use, or lease of the Mineral Lien Cash Collateral, such Purported Lienholder shall have an allowed administrative claim under 11 U.S.C. § 507(b) equal to the diminution in value of the Purported Lienholder's interest in the property encumbered by the Purported Mineral Lien (the "***Purported Lienholder's Replacement Liens***"), and any such claims shall be junior and subject in all respects to the super-priority administrative claims of the DIP Agent and DIP Lenders (including the DIP Superpriority Claims) and to the Carve-Out, and shall not be paid from the proceeds or recoveries from Avoidance Actions.

(e) Notwithstanding the foregoing paragraphs 36(a)-(d), none of the Purported Mineral Lienholders nor any other party shall be entitled to adequate protection, whether in the form of Purported Lienholders' Replacement Liens, superpriority administrative expense claims, or otherwise, unless the Court determines that such claimant holds an allowed secured claim under Bankruptcy Code section 506(a)(l). All rights of the Debtor, the Committee, Purported Mineral Lienholders, Prepetition Agent, and Prepetition Lenders to defend or contest the validity, priority, and/or amount of each other's liens are reserved.

(f) Notwithstanding anything in this Final Order to the contrary, the Purported Lienholders do not waive, and expressly reserve, the right to seek additional or other adequate protection now or in the future related to the Purported Lienholders' respective claim(s) and/or interest(s) in the Debtor's property.

37. Successors and Assigns. This Final Order, the DIP Financing Agreement, and the other DIP Documents shall be binding upon all parties in interest in the Chapter 11 Case, including any subsequently appointed trustee, responsible individual, examiner with expanded powers, or other estate representative, and in any Successor Case.

38. No Modification to Final Order. The Debtor irrevocably waives the right to seek, and shall not seek or consent to, directly or indirectly, without the prior written consent of the DIP Agent and the Prepetition Agent: (a) any reversal, modification, stay, vacatur, amendment, or extension of this Final Order, or a priority claim for any administrative expense or unsecured claim against the Debtor (now existing or hereafter arising of any kind or nature whatsoever, including, without limitation, any administrative expense of the kind specified in sections 503(b), 507(a), 507(b), or 546 of the Bankruptcy Code) in the Chapter 11 Case or Successor Case, equal or superior to the DIP Superpriority Claims or the Adequate Protection Claims, other than the Carve-Out; (b) any order allowing use of Cash Collateral; and (c) any lien on any of the DIP Collateral or the Prepetition Collateral with priority equal or superior to the DIP Liens or the Adequate Protection Liens, as applicable.

39. Order Controls. In the event of any inconsistency between the terms of the DIP Documents and this Final Order, the provisions of this Final Order shall govern and control.

40. Limits on Lender Liability. Nothing in this Final Order or in any of the DIP Documents, the Prepetition Loan Documents, or any other documents related thereto shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Secured Parties or the Prepetition Secured Parties of any liability for any claims arising from any activities by the Debtor in the operation of its business or in connection with the administration of the Chapter 11 Case. The DIP Secured Parties and the Prepetition Secured Parties shall not (i) be deemed in

control of the operations of the Debtor or to be acting as a "controlling person," "responsible person," or "owner or operator" with respect to the operation or management of the Debtor (as such terms, or any similar terms, are used in the Internal Revenue Code, the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 *et seq.*, as amended, or any similar federal or state statute) or (ii) owe any fiduciary duty to the Debtor, its creditors, or its estates, or constitute or be deemed to constitute a joint venture or partnership with the Debtor. Nothing in this Final Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Secured Parties or any of the Prepetition Secured Parties of any liability for any claims arising from the prepetition or postpetition activities of the Debtor.

41. Payments Free and Clear. Subject to and effective upon entry of this Final Order, any and all payments or proceeds remitted to the DIP Agent, on behalf of the DIP Secured Parties, and the Prepetition Agent, on behalf of the Prepetition Secured Parties, as applicable, pursuant to the provisions of this Final Order or any subsequent order of the Court shall be irrevocable, received free and clear of any claim, charge, assessment, or other liability, including, without limitation, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) (whether asserted or assessed by, through or on behalf of the Debtor) or 552(b) of the Bankruptcy Code.

42. Headings. Section headings used herein are for convenience only and are not to affect the construction of, or to be taken into consideration in interpreting, the Interim Order.

43. Effect of This Final Order. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, and 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules

of Civil Procedure, this Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final Order.

Signed: April 02, 2019

Marvin Isgur
United States Bankruptcy Judge

APPROVED AS TO FORM AND SUBSTANCE BY:

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Proposed Counsel to the Official Committee of Unsecured Creditors to Weatherly Oil & Gas, LLC

Exhibit 1

DIP Financing Agreement

WEATHERLY OIL & GAS, LLC

$1,000,000 Senior Secured Debtor-In-Possession Term Loan Agreement

DATED AS OF [_____], 2019

EXHIBIT 1

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EXHIBIT 1

WEATHERLY OIL & GAS, LLC

This **Senior Secured Debtor-in-Possession Term Loan Agreement**, dated as of [_____], 2019 (together with any amendments, restatements, supplements or other modifications, the "**Agreement**"), is entered into by and among Weatherly Oil & Gas, LLC, a Delaware limited liability company (the "**Borrower**");

- **AG ENERGY FUNDING, LLC**, as a Lender;
- **AB ENERGY OPPORTUNITY FUND, L.P.**, as a Lender; and
- **ANGELO, GORDON ENERGY SERVICER, LLC**, as administrative agent and collateral agent for the Lenders (in such capacities, the "**Administrative Agent**").

W I T N E S E T H:

WHEREAS, on February 28, 2019 (the "**Petition Date**"), the Borrower filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court;

WHEREAS, the Borrower continues to operate its business and manage its property as debtor and debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, the Borrower has requested that Lenders provide it with a nonamortizing senior secured term loan credit facility in an aggregate principal amount not to exceed $1,000,000 (the "**DIP Facility**") to be used during the Bankruptcy Case for working capital requirements, operating expenses, capital expenditures, and general corporate purposes of the Borrower and its Subsidiaries during the Bankruptcy Case, subject to the terms set out herein (including the Budget covenant set forth in Section 6.23) and in the other Loan Documents and the DIP Order;

WHEREAS, to provide security for, and to assure the repayment of the Obligations (as hereinafter defined), the Borrower has agreed to provide Liens (as defined below) to the Adminstrative Agent and the Lenders upon the Collateral (as hereinafter defined) as set forth herein and in accordance with Sections 364(c) and (d) of the Bankruptcy Code and the other Loan Documents; and

WHEREAS, Lenders are willing to make the Loans (as defined below) to the Borrower, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and the Loans to be made by the Lenders, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

EXHIBIT 1

SECTION 1.
DEFINITIONS AND INTERPRETATION

1.1 Terms Defined Above. As used in this Agreement, each term defined above has the meaning indicated above.

1.2 Definitions. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"363 Asset Sale" means the sale of assets of the Borrower pursuant to the 363 Asset Sale Process.

"**363 Asset Sale Process**" means the process of soliciting bids for the purchase by one or more third parties of any assets of the Borrower pursuant to the Bankruptcy Code, other than an Asset Sale permitted by Sections 6.8(b)(i), (ii), or (iii).

"**Administrative Agent**" as defined in the preamble hereto.

"**Administrative Agent's Account**" means an account at a bank in New York designated by Administrative Agent from time to time as the account into which Loan Parties shall make all payments to Administrative Agent for the benefit of Administrative Agent and the Lenders under this Agreement and the other Loan Documents.

"**Administrative Agent's Office**" means, the "Administrative Agent's Office" as set forth on Appendix B, or such other office as it may from time to time designate in writing to the Borrower and each Lender.

"**Adverse Proceeding**" means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of the Borrower or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims) or other regulatory body or any arbitrator whether pending or threatened against or affecting any of the Borrower or any of its Subsidiaries or any material property of the Borrower or any of its Subsidiaries.

"**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding anything to the contrary herein, in no event shall the Administrative Agent, any Lender or any of their respective Affiliates be considered an "Affiliate" of any Loan Party.

"**Aggregate Amounts Due**" as defined in Section 2.12.

"**Agreement**" as defined in the preamble.

"**Angelo Gordon**" means any of Angelo, Gordon Energy Servicer, LLC and AG Energy Funding, LLC and their affiliates.

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the Loan Parties from time to time concerning or relating to bribery or corruption including, without limitation, the FCPA.

"**Applicable Office**" means the office through which a Lender's investment in any Loan is made.

"**Asset Sale**" means a sale, lease or sublease (as lessor or sublessor), sale and leaseback, assignment, conveyance, license, transfer or other disposition to, or any exchange of property with, any Person, in one transaction or a series of transactions, of all or any part of any Person's businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible (including the early cancellation or termination of Swap Agreements (unless replaced by one or more other Swap Agreements; provided that (i) one hundred percent (100%) of any proceeds obtained from such cancellation or termination shall be used in accordance with Section 2.9(a) or towards costs and expenses related to such replacement Swap Agreements and (ii) any replacement Swap Agreement shall be satisfactory to the Administrative Agent in its sole discretion)), whether now owned or hereafter acquired, other than (a) dispositions of surplus, obsolete or worn out property or property no longer used or useful in the business of any Loan Party or any of its Subsidiaries, whether now owned or hereafter acquired, in the ordinary course of business; (b) dispositions of inventory sold, and intellectual property licensed, in the ordinary course of business; (c) dispositions of accounts or payment intangibles (each as defined in the UCC) resulting from the compromise or settlement thereof in the ordinary course of business for less than the full amount thereof; (d) dispositions of cash or Cash Equivalents in the ordinary course of business; (e) licenses, sublicenses, leases or subleases granted to any third parties in arm's-length commercial transactions in the ordinary course of business that do not interfere in any material respect with the business of any Loan Party or any of its Subsidiaries; (f) any theft, loss, physical destruction or damage, condemnation, taking or similar event with respect to any property of any Loan Party or its Subsidiaries; (g) dispositions of property to a Loan Party or any Subsidiary provided that if the transferor of such property is a Loan Party then the transferee thereof is a Loan Party; and (h) a 363 Asset Sale.

"**Assignment Agreement**" means an Assignment and Assumption Agreement substantially in form of Exhibit E or any other form approved by the Administrative Agent.

"**Attributable Debt**" means as of the date of determination thereof, without duplication, (a) in connection with a sale and leaseback transaction, the net present value (discounted according to GAAP at the cost of debt implied in the lease) of the obligations of the lessee for rental payments during the then-remaining term of any applicable lease, and (b) the principal balance outstanding under any synthetic lease, tax retention operating lease, off-balance sheet Loans or similar off-balance sheet financing product to which such Person is a party, where such transaction is considered borrowed money indebtedness for tax purposes but is classified as an operating lease in accordance with GAAP.

"**Authorized Officer**" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, chief operating officer, president, chief financial officer, executive vice president or treasurer, in each case, whose signatures and incumbency have been certified in a certificate delivered to Administrative Agent.

"Bankruptcy Case" means the voluntary case of the Borrower filed under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Texas.

"**Borrower**" as defined in the preamble hereto.

"**Borrower LLC Agreement**" the First Amended and Restated Limited Liability Company Agreement of the Borrower, dated as of August 31, 2017.

"**Borrowing Notice**" means a written notice by the Borrower that it wishes to request Loans from the Lenders, which Borrowing Notice contains the information required by Section 2.3, and is substantially in the form of Exhibit A.

"Budget" means (a) at any time prior to the Final DIP Order Date, that certain budget attached to the Interim DIP Order in form and substance satisfactory to the Lenders and (b) on and after the Final DIP Order Date, that certain budget attached to the Final DIP Order in form and substance satisfactory to the Lenders, in each case, as the same may be updated and approved from time to time in accordance with the terms of the DIP Order.

"**Business Day**" means any day excluding (i) Saturday and Sunday, (ii) any day which is a legal holiday under the laws of the States of New York or Texas or is a day on which banking institutions located in either of such states are authorized or required by law or other governmental action to close, or (iii) any day on which commercial banks are not open for dealings in foreign exchanges and foreign currency deposits in London, England.

"**Capital Lease**" means (a) as applied to any Person, any lease of (or other arrangement conveying the right to use) any property (whether real, personal or mixed) by that Person as lessee (or the equivalent) that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person and (b) those Capital Leases as of the Closing Date set forth on Schedule 6.1.

"**Capital Stock**" means any stock, shares, partnership interests, membership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, or in general any instruments commonly known as "equity securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Cargill**" means Cargill, Incorporated.

"Carve-Out" as defined in the DIP Order.

"**Cash**" means money, currency or a credit balance in any demand or deposit account.

"**Cash Equivalents**" means, as at any date of determination, (a) marketable securities issued or directly and unconditionally guaranteed as to interest and principal by the United States Government, or issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (c) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (d) certificates of deposit or bankers' acceptances maturing within one year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator), and has Tier 1 capital (as defined in such regulations) of not less than $100,000,000; and (e) shares of any money market mutual fund that has at least ninety five percent (95%) of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, has net assets of not less than $500,000,000, and has the highest rating obtainable from either S&P or Moody's.

"**Cash Receipts**" means all Cash or Cash Equivalents received by or on behalf of any Loan Party with respect to the following: (a) sales of Hydrocarbons from Oil and Gas Properties, (b) Cash representing operating revenue earned or to be earned, (c) any proceeds from Swap Agreements, (d) royalty payments, (e) any COPAS cash receipts and (f) any other Cash or Cash Equivalents received by or on behalf of the Borrower or its Subsidiaries in connection with its ownership of Oil and Gas Properties; provided that (i) Loans or the proceeds of Loans, (ii) Cash or Cash Equivalents belonging to or received for the credit of third parties, such as royalty, working interest or other interest owners, that are received for transfer or payment to such third parties and (iii) Cash or Cash Equivalents received from other working interest owners of the Oil and Gas Properties operated by the Borrower or its Subsidiaries that represent reimbursements or advance payments of joint interest billings to such other working interest owners, in each case, shall not constitute "Cash Receipts".

"**CERCLA**" as defined in the definition of "Environmental Laws."

"**Change of Control**" means, at any time, either any Person or group of related Persons (other than Permitted Holders) shall have acquired beneficial ownership of more than 50% of the Capital Stock of the Borrower, except if such change in ownership occurs pursuant to a chapter 11 plan of reorganization or liquidation during the Bankruptcy Case that is approved by the Requisite Lenders in writing and the Bankruptcy Court in a Final Order.

"**Closing Date**" means the date on which all of the conditions precedent set forth in Section 3.1 have been satisfied or waived.

"**Closing Date Certificate**" means a Closing Date Certificate substantially in the form of Exhibit C.

"**Collateral**" means, collectively, all of the real, personal and mixed property (including Capital Stock) of the Loan Parties in which Liens are purported to be granted pursuant to the DIP Order and/or the Collateral Documents as security for the Obligations. For the avoidance of doubt, the Collateral shall include all "DIP Collateral" referenced in the DIP Order.

"**Collateral Documents**" means all Guarantees of the Obligations evidenced by the Loan Documents, the DIP Order, and all mortgages, security agreements, pledge agreements, collateral assignments, other instruments, documents and agreements delivered by any Loan Party pursuant to this Agreement or any of the other Loan Documents in order to (a) grant to Administrative Agent, for the benefit of the Secured Parties, a Lien on any Collateral or (b) set forth the relative priorities of any Lien on any Collateral.

"**Commitment**" means as to any Lender, the commitment of such Lender to make Loans in the manner set forth in Section 2.1. "**Commitments**" means such commitments of all Lenders in the aggregate. The amount representing each Lender's Commitment is set forth on Appendix A.

"**Communications**" as defined in Section 8.9(a).

"**Confidential Information**" as defined in Section 9.17.

"**Contract Operator**" means Weatherly Operating, LLC, a Texas limited liability company.

"**Contractual Obligation**" means, as applied to any Person, any provision of any Capital Stock issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its Properties is subject.

"COPAS" means the Council of Petroleum Accountants Societies Model Form Accounting Procedures.

"**Covered Person**" means any Affiliate of any Loan Party (other than any other Loan Party) or any of their respective officers, members, managers, directors, partners, parents, or any family members of any of the foregoing.

"**Default**" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"**Default Rate**" means any interest payable pursuant to Section 2.6(c).

"**Designated Jurisdiction**" means any country, region or territory that is, or whose Governmental Authorities are, the subject of any Sanction (as of the Closing Date, Crimea, Cuba, Iran, North Korea, Russia, Sudan and Syria).

"**DIP Order**" means (a) at any time prior to the Final DIP Order Date, the Interim DIP Order and (b) on and after the Final DIP Order Date, the Final DIP Order.

"**Disqualified Capital Stock**" means any Capital Stock that, by its terms (or by the terms of any security or other Capital Stock into which it is convertible or for which it is exchangeable) or upon the happening of any event or condition (a) matures or is mandatorily redeemable including as a result of any breach of any covenant (other than solely for Capital Stock that is not Disqualified Capital Stock), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or significant asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or significant asset sale event shall be subject to (i) the prior repayment in full of all Loans and all other Obligations (other than contingent obligations for which no claim has been made) and (ii) the prior termination of the Commitments), (b) is redeemable at the option of the holder thereof (other than solely for Capital Stock that is not Disqualified Capital Stock) (except as a result of a change of control or significant asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or significant asset sale event shall be subject to (i) the prior repayment in full of all Loans and all other Obligations (other than contingent obligations for which no claim has been made), and (ii) the prior termination of the Commitments), (c) is or becomes convertible into or exchangeable for Indebtedness or any other Capital Stock that would constitute Disqualified Capital Stock, or (d) has (i) any amortization, any scheduled prepayments or any other prepayment terms, or (ii) any financial covenants), in each case on or prior to the date that is ninety-one (91) days after the earlier to occur of (A) the Maturity Date and (B) the date on which no principal or interest amount payable with respect to the Loans remains outstanding. For the avoidance of doubt, "Disqualified Capital Stock" shall not include any Recapitalization Preferred Equity Interests.

"**Dollars**" and the sign "**$**" mean the lawful money of the United States of America.

"**Eligible Assignee**" means (a) any Lender, (b) any Subsidiary or Affiliate of a Lender, (c) any commercial bank, investment fund, sovereign wealth fund and (d) any other Person approved by the Requisite Lenders in their sole discretion; provided that the term "Eligible Assignee" shall exclude any of the parties listed on Schedule 9.7.

"**Employee Benefit Plan**" means any "employee benefit plan" as defined in Section 3.3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates.

"**Environmental Claim**" means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (b) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (c) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"**Environmental Laws**" means any and all Governmental Requirements pertaining in any way to health, safety the environment or the preservation or reclamation of natural resources, in effect in any and all jurisdictions in which the Borrower is conducting or at any time has conducted business, or where any Property of the Borrower is located, including without limitation, the Oil Pollution Act of 1990 ("**OPA**"), as amended, the Clean Air Act, as amended, the Comprehensive Environmental, Response, Compensation, and Liability Act of 1980 ("**CERCLA**"), as amended, the Federal Water Pollution Control Act, as amended, the Occupational Safety and Health Act of 1970, as amended, the Resource Conservation and Recovery Act of 1976 ("**RCRA**"), as amended, the Safe Drinking Water Act, as amended, the Toxic Substances Control Act, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, the Hazardous Materials Transportation Act, as amended, and other environmental conservation or protection Governmental Requirements. The term "oil" shall have the meaning specified in OPA, the terms "hazardous substance" and "release" (or "threatened release") shall have the meanings specified in CERCLA, the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in RCRA and the term "oil and gas waste" shall have the meaning specified in Section 91.1011 of the Texas Natural Resources Code ("**Section 91.1011**"); provided, however, that (a) in the event either OPA, CERCLA, RCRA or Section 91.1011 is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and (b) to the extent the laws of the state or other jurisdiction in which any Property of any Loan Party is located establish a meaning for "oil," "hazardous substance," "release," "solid waste," "disposal" or "oil and gas waste" which is broader than that specified in either OPA, CERCLA, RCRA or Section 91.1011, such broader meaning shall apply.

"**Environmental Permit**" means any permit, registration, license, approval, consent, exemption, variance, or other authorization required under or issued pursuant to applicable Environmental Laws.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto, in each case together with the regulations thereunder.

"**ERISA Affiliate**" means, as applied to any Person each trade or business (whether or not incorporated) that together with such Person would be treated as a single employer under Section 4001(b)(1) of ERISA or Section 414 of the Internal Revenue Code. Any former ERISA Affiliate of the Borrower or any of its Subsidiaries shall continue to be considered an ERISA Affiliate of the Borrower or any such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of the Borrower or such Subsidiary and with respect to liabilities arising after such period for which the Borrower or such Subsidiary could be liable under the Internal Revenue Code or ERISA.

"**ERISA Event**" means (a) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30-day notice to the PBGC has been waived by regulation); (b) the failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code or Section 302 of ERISA with respect to any Pension Plan (determined without regard to any waiver of the funding provisions therein or in Section 303 of ERISA or Section 430 of the Internal Revenue Code) or the failure to make by its due date a required installment under Section 430 of

the Internal Revenue Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (c) the filing of a notice of intent to terminate a Pension Plan, the treatment of an amendment to a Pension Plan as a termination under Section 4041 of ERISA, or the incurrence by the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Pension Plan; (d) the withdrawal by the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more non-related contributing sponsors or the termination of any such Pension Plan resulting in liability to the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4063 or 4064 of ERISA; (e) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might reasonably constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (f) the imposition of liability on the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (g) the withdrawal of the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any liability or potential liability therefor, or the receipt by the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (h) the occurrence of an act or omission which could reasonably be expected to give rise to the imposition on the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Internal Revenue Code or under Section 409, Section 502(c), (l) or (m), or Section 4071 of ERISA in respect of any Employee Benefit Plan; (i) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan or the assets thereof, or against the Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (j) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Internal Revenue Code) to qualify under Section 401(a) of the Internal Revenue Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Internal Revenue Code; or (k) the imposition of a Lien pursuant to Section 430(k) or 436(f) of the Internal Revenue Code or pursuant to ERISA with respect to any Pension Plan.

"**Event of Default**" means each of the conditions or events set forth in Section 7.1.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"**Excluded Taxes**" as defined in Section 2.14(b).

"Existing Administrative Agent" means Angelo, Gordon Energy Servicer, LLC, as administrative agent and collateral agent, as applicable, for the Existing Lenders and Cargill.

"Existing Lenders" as defined in the definition of "Existing Loan Documents".

"Existing Loan Documents" means that certain Senior Secured Term Loan Agreement, dated as of September 18, 2017, by and among the Borrower, the Existing Administrative Agent and the "Lenders" named therein (the "**Existing Lenders**"), as amended, supplemented or otherwise modified prior to the date hereof, and the other agreements and instruments executed and/or delivered by the Loan Parties in connection therewith.

"**Exposure**" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Loans of such Lender.

"**Extraordinary Receipts**" means any Cash received by or paid to or for the account of any Loan Party for any pension plan reversions, judgments, proceeds of settlements or other consideration in connection with any cause of action, indemnity payments and any purchase price adjustment received in connection with any purchase agreement provided, however, Extraordinary Receipts shall not include payments or proceeds of any insurance policies or received in connection with condemnation or eminent domain or accrued but unpaid royalties held in reserve.

"**Facility**" means any real property (including all buildings, fixtures or other improvements located thereon but excluding the Oil and Gas Properties) now, hereafter or heretofore owned, leased, operated or used by the Borrower or any of its Subsidiaries.

"**FATCA**" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any intergovernmental agreement entered into with the United States in connection with such Sections of the Internal Revenue Code, together with any law, regulation or official guidance implementing the foregoing.

"**FCPA**" means the Foreign Corrupt Practices Act of 1977, as amended.

"**FDIC**" means the Federal Deposit Insurance Corporation.

"Final DIP Order" means a Final Order substantially in the form of the Interim DIP Order entered by the Bankruptcy Court and satisfactory in form and substance to the Administrative Agent and the Requisite Lenders (a) authorizing the Borrower to (i) obtain post-petition secured financing pursuant to this Agreement and (ii) use cash collateral during the pendency of the Bankruptcy Case, and (b) granting certain related relief, as the same may be amended, modified or supplemented from time to time with the prior written consent of the Administrative Agent and the Requisite Lenders.

"Final DIP Order Date" means the date of the entry of the Final DIP Order by the Bankruptcy Court.

"**Final Order**" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal

that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice.

"**Financial Officer**" means, for any Person, the President, Chief Restructuring Officer, or Chief Financial Officer. Unless otherwise specified, all references herein to a Financial Officer means a Financial Officer of the Borrower.

"**Financial Officer Certification**" means, with respect to the financial statements for which such certification is required, the certification of a Financial Officer of the Borrower that such financial statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with cash or tax basis accounting principles that are suitable to the Administrative Agent's reporting standards as determined by the Administrative Agent in its sole discretion.

"**First Priority**" means, with respect to any Lien purported to be created in any Collateral pursuant to the DIP Order and/or any Collateral Document, that pursuant to the DIP Order and/or such Collateral Document, such Lien is the first priority Lien with respect to such Collateral, subject to Permitted Liens.

"**Fiscal Quarter**" means a fiscal quarter of any Fiscal Year.

"**Fiscal Year**" means the fiscal year of the Borrower and its Subsidiaries ending on December 31 of each calendar year.

"**GAAP**" means, subject to the limitations on the application thereof set forth in Section 1.3, generally accepted accounting principles in the United States of America in effect as of the date of determination thereof.

"**Governmental Authority**" means the government of the United States of America, any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"**Governmental Authorization**" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"**Governmental Requirement**" means, at any time, any law, treaty, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization or other directive or requirement (whether or not having the force of law), whether now or hereafter in effect, including, without limitation, Environmental Laws, energy regulations and occupational, safety and health standards or controls, of any Governmental Authority.

"**Guarantee**" means, with respect to any Person, any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, that is (a) an obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the Lenders thereof will be protected (in whole or in part) against loss in respect thereof; or (b) a liability of such Person for an obligation of another through any agreement (contingent or otherwise) (i) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (ii) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (i) or (ii) of this clause (b), the primary purpose or intent thereof is as described in clause (a) above.

"**Guarantor**" means each Subsidiary of the Borrower and any other Person that is required to guarantee the Obligations pursuant to Section 5.10.

"**Guaranty**" means the guaranty of each Guarantor in form and substance satisfactory to the Administrative Agent and the Requisite Lenders.

"**Hazardous Material**" means any substance regulated by or as to which liability might arise under any applicable Environmental Law and including, without limitation: (a) any chemical, compound, material, product, byproduct, effluent, emission, substance or waste defined as or included in the definition or meaning of "hazardous substance," "hazardous material," "hazardous waste," "solid waste," "toxic waste," "extremely hazardous substance," "toxic substance," "contaminant," "pollutant," or words of similar meaning or import found in any applicable Environmental Law; (b) petroleum hydrocarbons, petroleum products, petroleum substances, natural gas, oil, oil and gas waste, crude oil, and any components, fractions, or derivatives thereof; (c) explosives, radioactive materials, asbestos containing materials, polychlorinated biphenyls, radon, mold, silica or any silicates and (d) any material which shall be removed from any Property pursuant to any Environmental Law or Environmental Permit or in order to place any Property in a condition that is suitable for ordinary use.

"**Hazardous Materials Activity**" means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"**Highest Lawful Rate**" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"**Hydrocarbon Interests**" means all rights, options, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"**Hydrocarbons**" means oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom.

"**Indebtedness**" as applied to any Person, means, without duplication, (a) all indebtedness for borrowed money; (b) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP; (c) all obligations of such Person evidenced by Loans, bonds or similar obligations representing extensions of credit whether or not representing obligations for borrowed money; (d) any obligation owed for all or any part of the deferred purchase price of property or services (excluding trade payables incurred in the ordinary course of business that are not overdue by more than sixty (60) days or that are being contested in good faith and for which adequate reserves have been maintained in accordance with GAAP) which purchase price is (i) due more than six (6) months from the date of incurrence of the obligation in respect thereof or (ii) evidenced by a note or similar written instrument; (e) all obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person; (f) all Indebtedness (as defined in other clauses of this definition) secured by any Lien on any property or asset owned or held by that Person regardless of whether the Indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (g) the face amount of any letter of credit or letter of guaranty issued, bankers' acceptances facilities, surety bond and similar credit transactions for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings or drafts; (h) any earn-out obligations or purchase price adjustments under purchase agreements; (i) all Guarantees by such Person of Indebtedness (as otherwise defined herein) of any other Person; (j) all obligations of such Person in respect of any Swap Agreement, whether entered into for hedging or speculative purposes; (k) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Capital Stock of such Person, (l) all Attributable Debt of such Person, and (m) Indebtedness of any partnership or Joint Venture in which such Person is a general partner or joint venturer, unless such Indebtedness is expressly non-recourse to such Person. The amount of Indebtedness under any Swap Agreements outstanding at any time, if any, shall be the Net Mark-to-Market Exposure of such Person under such Swap Agreements at such time (and after giving effect to any Net Mark-to-Market Gains of such Person under such Swap Agreements). For the avoidance of doubt, "Indebtedness" shall not include any Recapitalization Preferred Equity Interests.

"**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims (including Environmental Claims), costs (including the costs of any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), Taxes, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for Indemnitees in connection

with any investigative, administrative or judicial proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of (a) this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Loans or the use or intended use of the proceeds thereof, or any enforcement of any of the Loan Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of any Guaranty)); (b) the statements contained in the proposal letter delivered by any Lender, Administrative Agent or any Affiliate thereof to the Borrower or any holder of Capital Stock in the Borrower with respect to the transactions contemplated by this Agreement; or (c) any Environmental Claim against or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of the Borrower or any of its Subsidiaries and any of their respective Properties.

"**Indemnitee**" as defined in Section 9.3(a).

"**Indemnitee Agent Party**" as defined in Section 8.6.

"**Intellectual Property**" means all intellectual property rights, both statutory and common, throughout the world, including but not limited to the following: (a) patents, together with any foreign counterpart patents, as well as any reissued and reexamined patents and extensions corresponding to the patents, and patent applications, as well as any related continuation, continuation in part, and divisional applications and patents issuing therefrom and any respective foreign counterpart foreign patent applications or foreign patents issuing therefrom; (b) works of authorship and copyrightable works, copyrights and registrations and applications for registrations thereof; (c) any trademark, service mark, trade name, trade dress, brand names, slogans, domain names, registrations and any trademarks or service marks issuing from applications for registrations for the foregoing, and all goodwill associated therewith; (d) all trade secrets, know-how or proprietary property or technology and (e) all other intellectual property rights material to the operation of the Borrower's or any of its Subsidiaries' business.

"**Interest**" as defined in Section 2.6(a).

"**Interest Payment Date**" means (a) the last day of each Interest Period, and (b) the Maturity Date.

"**Interest Period**" means with respect to any Loan, (i) the period commencing on the Closing Date and ending on the next Quarterly Date, (ii) the period commencing on the last Business Day of the previous Interest Period and ending on the numerically corresponding day in the calendar month that is three months thereafter, as the Borrower may elect; *provided*, *that* (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding

Business Day and (ii) any Interest Period pertaining to a Loan that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Loan initially shall be the date on which such Loan is made.

"**Interim DIP Order**" means the interim order entered by the Bankruptcy Court, which order shall be in form and substance satisfactory to the Administrative Agent and the Requisite Lenders, (a) authorizing, on an interim basis, the Borrower to (i) obtain post-petition secured financing pursuant to this Agreement and (ii) use cash collateral during the pendency of the Bankruptcy Case, and (b) granting certain related relief, as the same may be amended, modified or supplemented from time to time with the prior written consent of the Administrative Agent and the Requisite Lenders.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute (except as otherwise provided herein).

"**Investment**" means (a) any direct or indirect redemption, retirement purchase or other acquisition by any Person of, or of a beneficial interest in, any of the Capital Stock of any other Person or of Property of any other Person that constitutes a business unit of such Person; (b) any direct or indirect loan, advance, acquisition, capital contribution or other transfer of funds or Property by any Person to any other Person, including all Indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business; and (c) any direct or indirect Guarantee of any obligations of any other Person. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions (whether in Cash or Property) thereto.

"**IRS**" as defined in Section 2.14(e).

"**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form.

"**Lenders**" means each Person listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto pursuant to an Assignment Agreement, other than any such Person that ceases to be a party hereto pursuant to an Assignment Agreement.

"**LIBOR**" means, for any Interest Period, the greater of (a) the London interbank offered rate (adjusted for statutory reserve requirements for eurocurrency liabilities) as published on the applicable Bloomberg LIBOR page administered by the ICE Benchmark Administration for dollars for a period equal in length to three months, as applicable to such Interest Period (or, in the event such rate does not appear on such page or screen, on any successor or substitute page on such screen that displays such rate, the rate per annum equal to the rate determined by the Administrative Agent to be the average of the rates per annum at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Loans with a term equivalent to such Interest Period would be offered by three major banks in the London interbank Eurodollar market at their request, determined as of approximately

11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, and (b) one percent (1.0%) per annum.

"**Lien**" means (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (b) in the case of Capital Stock, any purchase option, call or similar right of a third party with respect to such Capital Stock.

"**Loans**" means the loans made to the Borrower by the Lenders pursuant to Section 2.1(a), as may be evidenced by a promissory note in the form of Exhibit B.

"**Loan Document**" means any of this Agreement, the Loans, the Collateral Documents, the DIP Order, and all other certificates, documents, instruments or agreements executed and delivered by a Loan Party for the benefit of Administrative Agent or any Lender in connection herewith or pursuant to any of the foregoing.

"**Loan Party**" means the Borrower and each Guarantor.

"**Management Services Agreement**" means that certain Management Services Agreement, dated as of August 31, 2017, by and between the Borrower and the Contract Operator, as amended, supplemented, or otherwise modified from time to time prior to the date hereof.

"**Margin Stock**" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"**Material Adverse Effect**" means any effect, event, condition, action, omission, change or state of facts that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a material adverse effect with respect to (a) the business operations, properties, assets, or financial condition of the Loan Parties taken as a whole; (b) the ability of the Loan Parties, taken as a whole, to perform the Obligations; (c) the legality, validity, binding effect, or enforceability against a Loan Party of a Loan Document to which it is a party; or (d) the Administrative Agent's Liens (on behalf of itself and the Secured Parties) on the Collateral or the priority of such Liens; or (e) the rights, remedies and benefits available to, or conferred upon, Administrative Agent and any Lender under any Loan Document.

"**Material Contract**" means, collectively, any contract or agreement listed in Schedule 4.16, any contract or agreement requiring payments to be made or providing for payments to be received, in each case in excess of $500,000 individually or, if involving a series of related contracts or agreements, in the aggregate, any other contract or other arrangement to which any Loan Party is a party (other than the Loan Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"**Maturity Date**" means the earlier of (a) June [_], 2019, (b) to the extent that the Bankruptcy Court shall have not approved the Final DIP Order on or prior to March 30, 2019,

March 30, 2019, (c) the effective date of the joint chapter 11 plans with respect to the Bankruptcy Case, (d) the sale of all or a substantial part of the assets of the Borrower and the Guarantors, or (e) the date that all Loans shall become due and payable in full hereunder or pursuant to the DIP Order, whether by acceleration or otherwise.

"**Moody's**" means Moody's Investor Services, Inc.

"**Multiemployer Plan**" means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) of ERISA.

"**Net Asset Sale Proceeds**" means, with respect to any Asset Sale, an amount equal to: (a) the sum of Cash payments and Cash Equivalents received by any Loan Party from such Asset Sale (including any Cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received), minus (b) any bona fide direct costs incurred in connection with such Asset Sale, including income or gains taxes paid or payable by the seller as a result of any gain recognized in connection with such Asset Sale during the tax period the sale occurs (after taking into account any available tax credits or deductions and any tax-sharing arrangements), (c) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by the applicable Loan Party in connection with such Asset Sale; provided that upon release of any such reserve, the amount released shall be considered Net Asset Sale Proceeds), and (d) the amount required to retire any Indebtedness secured by a Permitted Encumbrance on the related property.

"**Net Insurance/Condemnation Proceeds**" means an amount equal to: (a) any Cash payments or proceeds received by any Loan Party (i) under any casualty or business interruption insurance policies in respect of any covered loss thereunder, or (ii) as a result of the taking of any assets of any Loan Party by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (b) any actual and reasonable costs incurred by any Loan Party in connection with the adjustment or settlement of any claims of any Loan Party in respect thereof, and (c) any bona fide direct costs incurred in connection with any sale of such assets as referred to in clause (a)(ii) of this definition, including income taxes paid or payable by the applicable Loan Party as a result of any gain recognized in connection therewith during (after taking into account any available tax credits or deductions and any tax-sharing arrangements).

"**Net Mark-to-Market Exposure**" of a Person means, as determined by the applicable swap provider with respect to any Swap Agreement, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Swap Agreements. As used in this definition, "unrealized losses" means the fair market value of the cost to such Person of replacing such Swap Agreement as of the date of determination (assuming such Swap Agreement were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Swap Agreement as of the date of determination (assuming such Swap Agreement were to be terminated as of that date).

"**Net Mark-to-Market Gain**" of a Person means, as determined by the applicable swap provider with respect to any Swap Agreement, as of any date of determination, the excess (if any)

of all unrealized profits over all unrealized losses of such Person arising from Swap Agreements. As used in this definition, "unrealized losses" means the fair market value of the cost to such Person of replacing such Swap Agreement as of the date of determination (assuming such Swap Agreement were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Swap Agreement as of the date of determination (assuming such Swap Agreement were to be terminated as of that date).

"**Non-U.S. Lender**" as defined in Section 2.14(e).

"**Note**" as defined in Section 2.2.

"**Obligations**" means all liabilities and obligations of every nature of each Loan Party and its Subsidiaries from time to time owed to Administrative Agent (including any former Administrative Agent under this Agreement), Angelo Gordon, the Lenders, any Indemnitee or any of them under any Loan Document, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Loan Party, would have accrued on any Obligation, whether or not a claim is allowed against such Loan Party for such interest in the related bankruptcy proceeding), fees, expenses, penalties, premiums, reimbursements, indemnification or otherwise and whether primary, secondary, direct, indirect, contingent, fixed or otherwise (including obligations of performance).

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of Treasury.

"**Oil and Gas Properties**" means (a) Hydrocarbon Interests; (b) the Properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests; (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (f) all tenements, hereditaments, appurtenances and Properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests and (g) all Properties, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment, rental equipment or other personal Property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and

rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing. Unless the context otherwise requires, the term Oil and Gas Properties refers to Oil and Gas Properties of the Loan Parties.

"**OPA**" as defined in the definition of "Environmental Laws."

"**Operated Oil and Gas Properties**" means those Oil and Gas Properties of the Loan Parties that are operated by the Borrower, any other Loan Party or by the Contract Operator.

"**Organizational Documents**" means (a) with respect to any corporation, its certificate or articles of incorporation, amalgamation, formation or organization, as amended, and its bylaws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership or certificate of formation, as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, and (d) with respect to any limited liability company, its articles of organization or certificate of formation, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Loan Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"**Other Sources**" as defined in Section 9.3(c).

"**Other Taxes**" means any and all present or future stamp, court, intangible, registration, recording, filing, transfer, documentary, excise, property or similar Taxes arising from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to or in connection with, any Loan Document, except any such Taxes that are imposed with respect to an assignment as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax.

"**Participant**" as defined in Section 9.7(g).

"**Participant Register**" as defined in Section 9.7.

"**PATRIOT Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act of 2001).

"**PBGC**" means the Pension Benefit Guaranty Corporation or any successor thereto.

"**Pension Plan**" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Title IV of ERISA, Section 412 of the Internal Revenue Code or Section 302 of ERISA.

"**Permitted Encumbrances**" means the Carve-Out and the other Permitted Prior Liens (as defined in the DIP Order).

"**Permitted Holders**" means WET, Vortus I, Weatherly Energy Capital, LLC, a Delaware limited liability company, and their Affiliates (other than any other portfolio companies).

"**Permitted Liens**" means each of the Liens permitted pursuant to Section 6.2.

"**Permitted Recipients**" as defined in Section 9.17.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Pro Rata Share**" means with respect to all payments, computations and other matters relating to the Loans of any Lender, the percentage obtained by dividing (a) the Exposure of that Lender, by (b) the aggregate Exposure of all Lenders.

"**Property**" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including, without limitation, Cash, securities, accounts and contract rights.

"**Proved Developed Producing Reserves**" has the meaning assigned such term in the SPE Definitions.

"**Quarterly Date**" means the last Business Day of each Fiscal Quarter.

"**RCRA**" as defined in the definition of "Environmental Laws."

"**Recapitalization Preferred Equity Interests**" means the preferred equity interests of the Borrower issued pursuant to the Borrower LLC Agreement.

"**Recipient**" as defined in Section 9.17.

"**Register**" as defined in Section 2.5(b).

"**Related Fund**" means, with respect to any Lender that is an investment fund, any other investment fund that invests in debt or equity investments and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor. With respect to Angelo Gordon, Related Fund shall also include any swap, special purpose vehicles purchasing or acquiring security interests in collateralized loan obligations or any other vehicle through which Angelo Gordon may leverage its investments from time to time.

"**Release**" means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing.

"**Requisite Lenders**" means (i) if there are fewer than three (3) Lenders, one hundred percent (100%) of the Lenders, (ii) if there are three (3) or more Lenders, two or more Lenders having or holding Exposure representing more than fifty percent (50%) of the sum of the aggregate

Exposure of all Lenders; provided that for purposes of this definition, any Lenders that are affiliated shall be deemed to be a single Lender.

"**Restricted Junior Payment**" means (a) any dividend or other distribution, direct or indirect, on account of any Capital Stock of any Loan Party or any of its Subsidiaries now or hereafter outstanding, except a dividend payable solely in additional shares of that class of Capital Stock (other than Disqualified Capital Stock) to the holders of that class; (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Capital Stock of any Loan Party now or hereafter outstanding; (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any Capital Stock of any Loan Party now or hereafter outstanding; and (d) any payment of management or similar fees to any parent of a Loan Party.

"**S&P**" means Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation.

"**Sanction(s)**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the United States government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"**Secured Parties**" means the Administrative Agent, the Lenders, and any other Person owed Obligations hereunder.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"**SPE Definitions**" means, with respect to any term, the definition thereof adopted by the Board of Directors, Society for Petroleum Engineers (SPE) Inc., March 1997.

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association, Joint Venture or other business entity the accounts of which would be consolidated with those of such Person in such Person's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, partnership, limited liability company, association, Joint Venture or other business entity of which more than fifty percent (50%) of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding.

"**Swap Agreement**" means any transaction (including an agreement with respect thereto) now existing or hereafter entered by any Person which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or other financial measures and whether exchange traded, "over-the-counter" or otherwise.

"**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, imposed, levied, collected, withheld or assessed by any Governmental Authority, including any interest, penalties or additional amounts thereon.

"**Tax on the Overall Net Income**" of a Person means any net income (however denominated), franchise or branch profits Tax imposed on a Person by the jurisdiction (or any political subdivision thereof) in which (or under the laws of which) a Person is organized or in which that Person's applicable principal office (and/or, in the case of a Lender, its Applicable Office) is located or in which that Person (and/or, in the case of a Lender, its Applicable Office) has a present or former connection (other than a jurisdiction in which such Person is treated as having a connection as a result of its entering into any Loan Document or its participation in the transactions governed thereby).

"**Tax Related Person**" means any Person (including a beneficial owner of an interest in a pass-through entity) who is required to include in income amounts realized (whether or not distributed) by Administrative Agent, a Lender or any Tax Related Person of any of the foregoing.

"**Transaction Costs**" means the fees, costs and expenses payable by the Loan Parties on or before the Closing Date in connection with the Transactions.

"**Transactions**" means the transactions contemplated by the Loan Documents to occur on the Closing Date.

"**Transaction Support Agreement**" means that certain Transaction Support Agreement, dated as of February 28, 2019, by and among the Borrower, the Existing Administrative Agent, the Existing Lenders party thereto from time to time, Cargill, WET, Weatherly Operating, LLC, and the investment funds and affiliates of Vortus Investments, LP party thereto from time to time.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"**U.S. Tax Compliance Certificate**" as defined in Section 2.14(e)(iii).

"**United States Person**" has the meaning in Section 7701(a)(30) of the Internal Revenue Code.

"**Vortus I**" means Vortus Investments, LP, a Delaware limited partnership.

"**WET**" means Weatherly East Texas, LLC, a Texas limited liability company.

1.3 Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and the Borrower or the Administrative Agent (acting at the written direction of the Requisite Lenders) shall so request, the Administrative Agent (acting at the written direction of the Requisite Lenders) and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and the Borrower shall provide to Administrative Agent and Lenders reconciliation statements requested by Administrative Agent (acting at the written direction of the Requisite Lenders) (reconciling the computations of such financial ratios and requirements from then-current GAAP computations to the computations under GAAP prior to such change) in connection therewith. Subject to the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with those used to prepare the historical financial statements of the Borrower.

1.4 Interpretation, etc. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. References herein to a Schedule shall be considered a reference to such Schedule as of the Closing Date. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not any limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. Unless otherwise indicated, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein). The use herein of the phrase "to the knowledge of" with respect to a Loan Party shall be a reference to the knowledge of the Authorized Officers of the applicable Loan Party.

SECTION 2.
THE LOANS

2.1 Loans. Subject to the terms and conditions hereof, on the Closing Date, each Lender agrees to make Loans to the Borrower (so long as all conditions set forth in Section 3.1 have been satisfied or waived) in an aggregate amount equal to each such Lender's Commitment. Once borrowed, the Borrower may not reborrow any Loans that have been repaid or prepaid,

whether in whole or in part. Any Commitments hereunder that remain unutilized following the Closing Date shall be automatically and irrevocably terminated following the making of such Loans on the Closing Date.

2.2 Notes. Upon the request of any Lender, the Borrower shall execute and deliver to such Lender one or more promissory notes in the amount of the Loans funded by such Lender made by the Borrower payable to such Lender or its registered assignees substantially in the form of Exhibit B for Loans (herein called such Lender's "**Note**" and collectively, the "**Notes**"). Borrower may not borrow, repay, and reborrow hereunder or under the Loans.

2.3 Request for Loans. Borrower must give to Administrative Agent written or electronic delivery of a Borrowing Notice (or telephonic notice followed by written or electronic delivery) of any requested Loan to be made by the Lenders and must:

(a) specify the aggregate amount of any such Loan; and

(b) (i) if delivered by written or electronic delivery, such Borrowing Notice must be received by Administrative Agent no later than 10:00 a.m., New York, New York time, one (1) Business Day prior to the anticipated Closing Date and (ii) if delivered by telephonic notice, such telephonic notice must be made no later than 10:00 a.m., New York, New York time, one (1) Business Day prior to the anticipated Closing Date, with such written or electronic Borrowing Notice then delivered to Administrative Agent on the Closing Date.

Each such written request must be made in the form and substance of the Borrowing Notice, duly completed. Upon receipt of any such Borrowing Notice, Administrative Agent shall give each Lender prompt notice of the terms thereof. If all conditions precedent to such new Loans have been met, each Lender will on the date requested promptly remit to Administrative Agent, at Administrative Agent's Account, the amount of such Lender's new Loan in immediately available funds not later than 2:00 p.m. (New York time) on the date specified on the Borrowing Notice, and upon receipt of all requested funds, such funds will then be made available to the Borrower by the Administrative Agent by wire transfer in accordance with written instructions provided to the Administrative Agent by the Borrower of like funds as received by the Administrative Agent.

2.4 Use of Proceeds. The proceeds of the Loans made on or after the Closing Date may only be used in strict accordance with the Budget or as otherwise permitted hereunder.

2.5 Evidence of Debt; Register; Lenders' Books and Records; Loans.

(a) Lenders' Evidence of Debt. Each Lender shall maintain in its internal records an account or accounts evidencing the Obligations of the Borrower to such Lender, including the amounts of the Loans made by such Lender and each repayment and prepayment in respect thereof. The failure to make any such recordation, or any error in such recordation, shall not affect any Obligations in respect of any applicable Loans; and provided, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) Register. Administrative Agent shall maintain at Administrative Agent's Office a register for the recordation of the names and addresses of Lenders and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The Register shall be available for inspection by the Borrower and the Lenders, at any reasonable time and from time to time upon reasonable prior written notice. The entries in the Register shall be conclusive and binding on the Loan Parties, the Administrative Agent and each Lender, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect the Loan Parties' Obligations in respect of any Loan. The Borrower, the Administrative Agent and the Lenders shall treat each Person in whose name any Loan shall be registered as the owner and the Lender thereof for all purposes hereof. The Borrower hereby designates the entity serving as Administrative Agent to serve as the Borrower's non-fiduciary agent solely for purposes of maintaining the Register as provided in this Section 2.5, and the Borrower hereby agrees that, to the extent such entity serves in such capacity, the entity serving as Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute "Indemnitees."

2.6 Interest; Administrative Agent Fee.

(a) Interest. Each Loan shall at all times bear interest at a rate equal to the sum of LIBOR plus ten percent (10.00%) per annum (as such amount may be increased pursuant to Section 2.6(c)) paid in cash (the "**Interest**").

(b) Interest Payment Dates. Interest on each Loan shall be due and payable on each Interest Payment Date. All interest payable hereunder shall be computed on the basis of a 360-day year for the actual amount of days elapsed.

(c) Default Interest. Upon the occurrence and during the continuance of a Default or Event of Default, the principal amount of all Loans outstanding and, to the extent permitted by applicable law, any interest payments on the Loans or any fees or other amounts owed hereunder, shall thereafter bear interest payable in Cash on demand at a rate that is two percent (2.0%) per annum in excess of the interest rate otherwise payable hereunder with respect to the Loans. Payment or acceptance of the increased rates of interest provided for in this Section 2.6(c) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

(d) Administrative Agent Fee. The Borrower will pay to Administrative Agent, for its own account, a fee of $25,000.

2.7 Repayment of Loans. If any principal or interest amount payable under the Loans remains outstanding on the Maturity Date, such amount will be paid in full (other than contingent obligations for which no claim has been made) or otherwise satisfied by Borrower to the Lenders in immediately available funds on the Maturity Date.

2.8 Voluntary Prepayments. The Borrower may prepay the Loans on any Business Day in whole or in part (together with any amounts due pursuant to Section 2.6) in an aggregate minimum amount equal to if being paid in whole, the Obligations and if being paid in part,

$100,000 and integral multiples of $100,000 in excess of that amount. All such prepayments shall be made upon not less than three (3) Business Days' prior written notice, in each case given to Administrative Agent by 12:00 p.m. (New York time) on the date required. Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.10.

2.9 Mandatory Prepayments.

(a) Asset Sales. Subject to the terms of the DIP Order, on the date of receipt by any Loan Party (or any Affiliate on behalf of such Loan Party) of any Net Asset Sale Proceeds other than as a result of any sales of Hydrocarbons in the ordinary course of business, the Borrower shall prepay the Loans in an aggregate amount equal to the lesser of the outstanding balance of the Loans and such Net Asset Sale Proceeds.

(b) Insurance/Condemnation Proceeds. Subject to the terms of the DIP Order, on the date of receipt by any Loan Party (or any Affiliate on behalf of such Loan Party), or Administrative Agent as sole loss payee, or promptly thereafter of any Net Insurance/Condemnation Proceeds, the Borrower shall prepay the Loans in an aggregate amount equal to such Net Insurance/Condemnation Proceeds.

(c) Issuance of Indebtedness and Capital Stock. Subject to the terms of the DIP Order, on the date of receipt by any Loan Party (or any Affiliate on behalf of such Loan Party) of any Cash proceeds from the incurrence of any Indebtedness (other than Indebtedness that is permitted hereunder) or issuance of or contribution on account of any Capital Stock of such Loan Party, the Borrower shall prepay the Loans in an aggregate amount equal to the lesser of the outstanding balance of the Loans and one hundred percent (100%) of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses.

(d) Extraordinary Receipts. No later than the fifth (5^{th}) Business Day following the date of receipt by any Loan Party (or any Affiliate on behalf of such Loan Party) of any Extraordinary Receipts, the Borrower shall prepay the Loans in an aggregate amount equal to such Extraordinary Receipts.

(e) Tax Refunds. On the date of receipt by any Loan Party for its account (or any Affiliate on behalf of such Loan Party) or promptly thereafter of any tax refunds, the Borrower shall prepay the Loans in an aggregate amount equal to the amount of such tax refunds, net of any incremental income Taxes that are imposed a result of receiving such refund.

(f) Prepayment Certificate. Not later than 12:00 p.m. (New York time), one (1) Business Day prior to any prepayment of the Loans pursuant to Sections 2.9(a)-(e), the Borrower shall deliver to Administrative Agent a certificate of a Financial Officer demonstrating the calculation of the amount of the applicable proceeds giving rise to the prepayment. In the event that the Borrower shall subsequently determine that the actual amount received exceeded the amount set forth in such certificate, the Borrower shall promptly make an additional prepayment of the Loans in an amount equal to such excess, and the Borrower shall concurrently therewith

deliver to Administrative Agent a certificate of a Financial Officer demonstrating the calculation of such excess.

2.10 Application of Payments. Any payment of any Loan made pursuant to Sections 2.7, 2.8, or 2.9 shall be applied as follows:

first, to pay all unpaid expenses, fees and actual, incurred indemnities of Administrative Agent due hereunder to the full extent thereof;

second, ratably to pay all unpaid expenses, fees and actual, incurred indemnities due hereunder to the full extent thereof;

third, ratably to pay any accrued unpaid Interest (including interest at the Default Rate, if any) on the Loans until paid in full;

fourth, to prepay the principal amount of all Loans then outstanding until paid in full;

fifth, ratably to pay any other Obligations then due and payable; and

sixth, to the Borrower or as otherwise directed by the Bankruptcy Court.

2.11 General Provisions Regarding Payments.

(a) All payments by the Borrower of principal, interest, fees and other Obligations shall be made in Dollars in same day funds, without, recoupment, setoff, counterclaim or other defense, free of any restriction or condition, and delivered to Administrative Agent not later than 2:00 p.m. (New York, New York time) on the date due to Administrative Agent's Account for the account of Lenders; funds received by Administrative Agent after that time on such due date may be deemed to have been paid by the Borrower on the next Business Day.

(b) All prepayments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid.

(c) Administrative Agent shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due thereto, including all fees payable with respect thereto, to the extent received by Administrative Agent.

(d) Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder.

(e) Administrative Agent may deem any payment by or on behalf of the Borrower hereunder that is not made in same day funds prior to 2:00 p.m. (New York, New York time) to be a non-conforming payment. Any such payment may not be deemed to have been

received by Administrative Agent until the later of the time such funds become available funds, and the applicable next Business Day. Interest and fees shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the applicable rate determined pursuant to Section 2.6(a) from the date such amount was due and payable until the date such amount is paid in full.

(f) If an Event of Default shall have occurred and not otherwise been waived, all payments or proceeds received by Administrative Agent hereunder in respect of any of the Obligations shall be applied first, to pay any costs and expenses then due Administrative Agent in connection with the foreclosure or realization upon, the disposal, storage, maintenance or otherwise dealing with any of, the Collateral or otherwise, and indemnities and other amounts then due to Administrative Agent under the Loan Documents until paid in full, second, to pay any costs, expenses, indemnities or fees then due to Administrative Agent under the Loan Documents until paid in full, third, ratably to pay any expenses, fees or indemnities then due to any of the Lenders under the Loan Documents, until paid in full, fourth, ratably to the payment of any accrued interest (including interest at the Default Rate, if any) until paid in full, fifth, ratably to pay the principal amount of all Loans then outstanding until paid in full, sixth, ratably to pay any other Obligations then due and payable, and seventh, to the Borrower or as otherwise directed by the Bankruptcy Court.

2.12 Ratable Sharing. Lenders hereby agree among themselves that, except as otherwise provided in the DIP Order and/or the Collateral Documents with respect to amounts realized from the exercise of rights with respect to Liens on the Collateral, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Loan Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Loan Documents (collectively, the "**Aggregate Amounts Due**" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment (the "**Receiving Lender**") shall (a) notify the Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to make loans (the "**Lender Loans**") (which it shall be deemed to have made simultaneously upon the receipt by each such other Lender of its portion of such payment) in the ratable Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; provided, if all or part of such proportionately greater payment received by such Receiving Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of the Borrower or otherwise, those Lender Loans made to the other Lenders shall be rescinded and the principal amounts of such Lender Loans shall be returned to the Receiving Lender ratably to the extent of such recovery, but without interest. The Borrower expressly consents to the foregoing arrangement and agrees that any Lender may exercise any and all rights of banker's lien, set off or counterclaim with respect to any and all monies owing by the

Borrower to that Lender with respect thereto as fully as if that Lender were owed the amount of the Loans made by that Lender.

2.13 Increased Costs. Subject to the provisions of Section 2.14 (which shall be controlling with respect to the matters covered thereby), in the event that any Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any Governmental Requirement, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or Governmental Authority, in each case that becomes effective after the date hereof, or compliance by such Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other Governmental Authority or quasi-Governmental Authority (whether or not having the force of law): subjects such Lender (or its Applicable Office) to any additional Tax (other than (i) any Tax that is indemnifiable pursuant to Section 2.14 or (ii) any Excluded Tax) with respect to this Agreement or any of the other Loan Documents or any of its obligations hereunder or thereunder or any payments to such Lender (or its Applicable Office) of principal, interest, fees or any other amount payable hereunder or its deposits, reserves, other liabilities, or capital attributable thereto; imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender; or imposes any other condition, cost or expense (other than with respect to a Tax matter) on or affecting such Lender (or its Applicable Office) or its obligations hereunder; and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by such Lender (or its Applicable Office) with respect thereto; then, in any such case, Borrower shall promptly pay to such Lender, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall determine) as may be necessary to compensate such Lender for any such increased cost or reduction in amounts received or receivable hereunder. Such Lender shall deliver to Borrower (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.13, which statement shall be conclusive and binding upon all parties hereto absent manifest error.

2.14 Taxes; Withholding, etc.

(a) Payments to Be Free and Clear. All sums payable by or on account of any Loan Party hereunder and under the other Loan Documents shall (except to the extent otherwise required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax imposed, levied, collected, withheld or assessed by any Governmental Authority.

(b) Withholding of Taxes. If any Loan Party or the Administrative Agent is required by law to make any deduction or withholding for or on account of any Tax from any sum paid or payable under any of the Loan Documents: (i) the applicable Loan Party shall notify Administrative Agent of any such requirement or any change in any such requirement as soon as

such Loan Party becomes aware of it; (ii) the applicable Loan Party or the Administrative Agent, as applicable, shall be entitled to make such deduction or withholding and shall pay (or cause to be paid) any such Tax to the relevant Governmental Authority before the date on which penalties attach thereto; (iii) the sum payable by such Loan Party in respect of which the relevant deduction or withholding is required shall be increased to the extent necessary to ensure that after any such deduction or withholding, Administrative Agent or such Lender, as the case may be, and each of their Tax Related Persons receives on the due date a net sum equal to what it would have received had no such deduction or withholding been required; and (iv) within thirty (30) days after making any such deduction or withholding, the Borrower shall deliver to Administrative Agent evidence satisfactory to the other affected parties of such deduction or withholding and of the remittance thereof to the relevant taxing or other authority; provided, that notwithstanding the foregoing, no such additional amount shall be required to be paid under clause (iii) above for (w) any U.S. federal withholding Tax in effect (1) as of the date hereof (in the case of each Lender listed on the signature pages hereof on the Closing Date) or on the effective date of the Assignment Agreement pursuant to which such Lender became a Lender (in the case of each other Lender) or changed its Applicable Office, or (2) in the case of a Tax Related Person, as of the date such Tax Related Person became a Tax Related Person, in each case, except to the extent that, pursuant to Section 2.14, amounts with respect to such U.S. federal withholding Taxes were payable to such Lender's assignor (including each of their Tax Related Persons) immediately before such Lender becomes a party hereto or changes its Applicable Office, (x) any Tax on the Overall Net Income of the Lender or any other Person, (y) any U.S. federal withholding Tax imposed under FATCA or (z) any Tax attributable to the Lender's failure to comply with Section 2.14(e) (clauses (w) through (z), "Excluded Taxes").

(c) Other Taxes. In addition, the Loan Parties shall pay all Other Taxes to the relevant Governmental Authorities in accordance with applicable law. The Loan Parties shall deliver to Administrative Agent official receipts or other evidence of such payment reasonably satisfactory to the Requisite Lenders in their sole discretion in respect of any Taxes or Other Taxes payable hereunder promptly after payment of such Taxes or Other Taxes.

(d) Indemnification. The Loan Parties shall indemnify Administrative Agent and each Lender or their respective Tax Related Persons, within ten (10) days after written demand therefor, for the full amount of any Taxes paid or incurred by Administrative Agent or such Lender, as the case may be, relating to, arising out of, or in connection with any Loan Document or any payment or transaction contemplated hereby or thereby, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority and all reasonable costs and expenses incurred in enforcing the provisions of this Section 2.14; provided, however, that the Loan Parties shall not be required to indemnify Administrative Agent and Lenders for any Excluded Taxes, or in duplication of Taxes covered by Sections 2.14(b) or (c). Notwithstanding the foregoing, any indemnification under this Section 2.14(d) shall be made on an after-Tax basis, such that after all required deductions (including such deduction applicable to additional sums payable under this Section 2.14) and payments of all Taxes (other than any Tax on the Overall Net Income), the Administrative Agent, the Lenders and each of their respective Tax Related Persons receives and retains an amount equal to the sum it would have received and retained had it not paid or incurred or been subject to such Taxes or expenses and costs. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative

Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Administrative Requirements; Forms Provision. Each Lender that is a United States Person for U.S. federal income tax purposes shall deliver to Administrative Agent and Borrower, on or prior to the Closing Date (in the case of each Lender listed on the signature pages hereof on the Closing Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Lender (in the case of each other Lender), and at such other times as may be necessary in the determination of the Borrower or Administrative Agent (each in the reasonable exercise of its discretion), two executed copies of Internal Revenue Service (the "IRS") Form W-9. Each Lender that is not a United States Person for U.S. federal income tax purposes (a "Non-U.S. Lender") shall, to the extent it is legally entitled to do so, deliver to Administrative Agent and Borrower, on or prior to the Closing Date (in the case of each Lender listed on the signature pages hereof on the Closing Date) or on or prior to the date of the Assignment Agreement or joinder agreement pursuant to which it becomes a Lender (in the case of each other Lender), and at such other times as may be necessary in the determination of the Borrower or Administrative Agent (each in the reasonable exercise of its discretion), whichever of the following described in clauses (i) through (iv) below is applicable, accurately completed and in a manner reasonably acceptable to the Borrower:

(i) In the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, two executed original copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty, and (y) with respect to any other applicable payments under any Loan Document, two executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) two executed copies of IRS Form W-8ECI;

(iii) in the case of a Non-U.S. Lender eligible to claim the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (1) a certificate substantially in the form of Exhibit D-1 to the effect that such Non-U.S. Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (2) two executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(iv) to the extent a Non-U.S. Lender is not the beneficial owner of a Note, two executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the

Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are eligible to claim the portfolio interest exemption, such Non-U.S. Lender shall provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner.

Each Lender required to deliver any forms, certificates or other evidence with respect to U.S. federal income tax withholding matters pursuant to this Section 2.14(e) hereby agrees, from time to time after the initial delivery by such Lender of such forms, certificates or other evidence, whenever a lapse in time or change in circumstances renders such forms certificates or other evidence obsolete, expired, invalid or inaccurate in any material respect, that such Lender shall promptly deliver to Administrative Agent and Borrower two new copies of IRS Form W-8BEN, IRS Form W-8BEN-E, W-8IMY or W-8ECI (or any successor form(s) of any of the foregoing), and as applicable, a U.S. Tax Compliance Certificate properly completed and duly executed by such Lender, and such other documentation required under the Internal Revenue Code and reasonably requested by the Borrower or Administrative Agent to confirm or establish that such Lender is not subject to deduction or withholding of U.S. federal income Tax with respect to payments to such Lender under the Loan Documents or is subject to deduction or withholding at a reduced rate, or notify Administrative Agent and the Borrower in writing of its inability to deliver any such forms, certificates or other evidence. Nothing in this Section 2.14 shall be construed to require a Lender (or any Tax Related Person of any Lender) or Administrative Agent to provide any forms or documentation that it is not legally entitled to provide.

(f) If a payment made to a Lender (or any Tax Related Person of any Lender) under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if it were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or Administrative Agent as may be necessary for the Borrower and Administrative Agent to comply with their obligations under FATCA, and to determine that such Lender has complied with such Lender's obligations under FATCA, or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.14(f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) In addition, on or before the date that it becomes the Administrative Agent hereunder, the Administrative Agent shall deliver to the Borrower an executed copy of IRS Form W-9.

2.15 OID. Notwithstanding anything else herein, including Section 2.1, the Borrower acknowledges and agrees that it will receive proceeds of the Loans on the Closing Date from the Lenders net of three percent (3.0%) of the principal amount of such Loans made by such Lender. Such discount will be treated as original issue discount on the Loans for U.S. federal income tax purposes and will reduce the net issue price of the Loans.

2.16 Tax Treatment. The parties agree (i) that for U.S. federal and other applicable income tax purposes to the maximum extent permitted by law, (a) the Loans shall be treated as "debt", and (b) the Loans shall not be treated as "contingent payment debt instruments" under Section 1.1275-4 of the United States Treasury Regulations (or any corresponding provision of state income tax law) and (ii) to file all U.S. federal income tax and state income tax and franchise tax returns in a manner consistent with (i).

2.17 Mitigation Obligations.

Designation of a Different Lending Office. If any Lender requests compensation under Section 2.13, or requires the Borrower to pay any Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14(d), then such Lender shall (at the request of the Borrower) use reasonable to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or Section 2.14(d), as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

SECTION 3.
CONDITIONS PRECEDENT

3.1 Closing Date. The obligation of each Lender to make a Loan on the Closing Date is subject to the satisfaction, or waiver in accordance with Section 9.6, of the following conditions on or before the Closing Date:

(a) Loan Documents. Each Lender and Administrative Agent shall have received sufficient copies of each Loan Document originally executed and delivered by each Loan Party in form and substance satisfactory to the Administrative Agent in its sole discretion.

(b) Organizational Documents; Incumbency. Each Lender and Administrative Agent shall have received (i) sufficient copies of each Organizational Document of each Loan Party, certified as of a recent date by the appropriate Governmental Authority each dated the Closing Date or a recent date prior thereto, including the amendments described in clause (v) below; (ii) signature and incumbency certificates of the officers of each Loan Party executing the Loan Documents; (iii) resolutions of the board of directors, the manager(s) or member(s) or similar governing body of each Loan Party, as applicable, approving and authorizing the execution, delivery and performance of this Agreement, the other Loan Documents to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by an Authorized Officer as being in full force and effect without modification or amendment; (iv) a good standing certificate for each Loan Party from the applicable Governmental Authority in such Person's jurisdiction of incorporation, organization or formation and in each jurisdiction in which such Person is qualified as a foreign corporation or other entity to do business, each dated a recent date prior to the Closing Date; and (v) such other Organizational Documents as the Requisite Lenders may request.

(c) Governmental Authorizations and Consents. Except as provided in Schedule 4.5, each Loan Party shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Loan Documents, and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to the Requisite Lenders in their sole discretion. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Loan Documents and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(d) [Reserved].

(e) [Reserved].

(f) Closing Date Certificate. The Borrower shall have delivered to Administrative Agent an originally executed Closing Date Certificate, together with all attachments thereto.

(g) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority that, in the opinion of the Requisite Lenders in their reasonable discretion, singly or in the aggregate, materially impairs any of the transactions contemplated by the Loan Documents.

(h) Due Diligence. No information or materials are or should have been available to any Loan Party as of the Closing Date that are materially inconsistent with the material previously provided to the Administrative Agent or the Requisite Lenders for their due diligence review. The Administrative Agent and each Lender and their counsel shall be satisfied with a due diligence review of each Loan Party's material agreements, including, but not limited to, satisfactory review of operating agreements, marketing agreements, transportation agreements, processing agreements and other agreements governing or relating to the Loan Parties' Oil and Gas Properties. The Administrative Agent and each Lender and their counsel shall be satisfied with a due diligence review of the Borrower and each Guarantor.

(i) Credit Approval. Each Lender shall have received internal credit approval to enter into this Agreement.

(j) No Material Adverse Effect. Since the date of the filing of the Bankruptcy Case, no event, circumstance or change shall have occurred that has caused or could reasonably be expected to result in, either individually or in the aggregate, a Material Adverse Effect.

(k) Funds Flow. Administrative Agent shall have received at least one (1) day prior to the Closing Date a funds flow memorandum, in form and substance satisfactory to the Requisite Lenders in their sole discretion.

(l) Borrowing Notice. Administrative Agent shall have received a fully-executed Borrowing Notice.

(m) KYC. The Administrative Agent shall have received, prior to the Closing Date, all documentation and other information requested by Lenders no later than five (5) Business Days prior to the Closing Date, under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT ACT, including, in particular, a duly executed W-9 tax form (or such other applicable IRS tax form) of the Borrower.

(n) Representations and Warranties. The representations and warranties of the Borrower set forth in this Agreement shall be true and correct on and as of the Closing Date (unless such representations and warranties are stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date).

(o) No Default. At the time of and immediately after giving effect to the issuance of the Loans to be made on the Closing Date, no Default or Event of Default shall have occurred and be continuing.

(p) Other Documents. The Administrative Agent shall have received each additional document, instrument, legal opinion or item reasonably requested by the Requisite Lenders, including, without limitation, a copy of any debt instrument, security agreement or other material contract to which any Loan Party may be a party.

(q) Interim DIP Order. The Bankruptcy Court shall have entered the Interim DIP Order granting the superpriority claim status and the liens contemplated hereby and authorizing the loans under the DIP Facility, which order (i) shall be in full force and effect and shall not have been, in whole or in part, vacated, reversed, stayed, or set aside and (ii) shall not have been modified or amended without the consent of the Administrative Agent and the Lenders party to this Agreement on the Closing Date. All motions relating to the entry of the Interim DIP Order and the Final DIP Order and seeking approval of the Loan Documents shall be in form and substance satisfactory to the Lenders party to this Agreement on the Closing Date, the Administrative Agent and its counsel.

(r) First Day Motions and Orders. All first-day motions and related orders entered by the Bankruptcy Court in the Bankruptcy Case shall be in form and substance satisfactory to the Lenders party to this Agreement on the Closing Date, the Administrative Agent, and its counsel.

Administrative Agent shall notify the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.6) at or prior to 2:00 p.m. (New York time) on March 15, 2019 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.
REPRESENTATIONS AND WARRANTIES

In order to induce Lenders to enter into this Agreement and to make their respective Loans, each Loan Party represents and warrants to Administrative Agent and each Lender, (a) on the Closing Date that the following statements are true and correct and (b) on each date that a Borrowing Notice is delivered, on the date of each Loan, that the following statements are true and correct:

4.1 Organization; Requisite Power and Authority; Qualification. Each Loan Party (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization as identified in Schedule 4.1, (b) has all requisite power and authority, and has all material governmental licenses, authorizations, consents and approvals necessary, to own and operate its Properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby and, in the case of the Borrower, to incur borrowings hereunder, and (c) is qualified to do business and in good standing in every jurisdiction where its material assets are located and wherever necessary to carry out its business and operations as now conducted, except where the failure to be so qualified or in good standing could not reasonably be expected to have a Material Adverse Effect.

4.2 Capital Stock and Ownership. The Capital Stock of each Loan Party has been duly authorized and validly issued. Except as set forth on Schedule 4.2, as of the Closing Date there is no existing option, warrant, call, right, commitment or other agreement to which any Loan Party is a party requiring, and there is no other Capital Stock of any Loan Party outstanding which upon conversion or exchange would require, the issuance by any Loan Party of any additional membership interests or other Capital Stock of any Loan Party or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of any Loan Party. Schedule 4.2 sets forth a true, complete and correct list as of the Closing Date, both before and after giving effect to the Transactions, of the name of each Loan Party and indicates for each such Person its ownership (by holder and percentage interest) and the type of entity of each of them, and the number and class of authorized and issued Capital Stock of such Person. Except as set forth on Schedule 4.2, as of the Closing Date, no Loan Party has any equity investments in any other corporation or entity.

4.3 Due Authorization. The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary corporate, limited liability company or partnership (as applicable) action and, if required, shareholder, member and/or partner action, on the part of each Loan Party that is a party thereto.

4.4 No Conflict. The execution, delivery and performance by each of the Loan Parties of the Loan Documents to which such Loan Party is a party do not and will not (a) violate in any material respect any provision of any Governmental Requirement applicable to, or any of the Organizational Documents of, any Loan Party; (b) conflict with, result in a material breach of or constitute (with due notice or lapse of time or both) a material default under any Contractual Obligation of any Loan Party, other than with respect to agreements evidencing Indebtedness that

is being repaid in full on the Closing Date; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of any Loan Party (other than any Liens created under any of the Loan Documents in favor of Administrative Agent, on behalf of itself and the Lenders and other Permitted Liens); (d) result in any material default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to any Loan Party's operations or any of its properties or (e) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of any Loan Party, except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to Administrative Agent and the Lenders.

4.5 Governmental Consents. Except as set forth on Schedule 4.5, the execution, delivery and performance by each of the Loan Parties of the Loan Documents to which they are parties and the consummation of the Transactions do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority with respect to a Loan Party, except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Administrative Agent for filing and/or recordation, as of the Closing Date, filings necessary to maintain perfection of the Collateral, routine filings related to such Loan Party and the operating of its business, and such filings as may be necessary in connection with Administrative Agent's or the Lenders' exercise of remedies hereunder.

4.6 Binding Obligation. Each Loan Document has been duly executed and delivered by each Loan Party (or Affiliate of such Person) that is a party thereto and is the legally valid and binding obligation of such Person, enforceable against such Person in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability (whether enforcement is sought in equity or at law).

4.7 [Reserved].

4.8 [Reserved].

4.9 No Material Adverse Effect. Since the date of the filing of the Bankruptcy Case, no event, circumstance or change has occurred that has caused or could reasonably be expected to result in, either individually or in the aggregate, a Material Adverse Effect.

4.10 No Restricted Junior Payments. Except as (i) reflected on Schedule 4.10, (ii) the payment of management and similar fees prior to the Closing Date and (iii) the redemption of limited partnership interests in the Borrower held by SND VI Partners, LLC, since December 31, 2016, neither the Borrower nor any of its Subsidiaries has directly or indirectly declared, ordered, paid or made, or set apart any sum or property for, any Restricted Junior Payment or agreed to do so except as permitted pursuant to Section 6.4.

4.11 Adverse Proceedings, etc. Except as reflected on Schedule 4.11, there are no Adverse Proceedings, which individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No Loan Party is in violation of any Governmental Requirement of any Governmental Authority (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or is subject to or in

default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any Governmental Authority, domestic or foreign, that relate to any Loan Document or any of the Transactions.

4.12 Payment of Taxes. Except as reflected on Schedule 4.12, all material tax returns and reports of each Loan Party required to be filed by any of them have been timely filed, and all material Taxes shown on such tax returns to be due and payable and all other material Taxes, assessments, fees and other governmental charges upon any Loan Party and upon their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due, except those which are being actively contested by such Person in good faith and by appropriate proceedings, which are reflected on Schedule 4.12 to the extent in existence on the Closing Date; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of Taxes and other governmental charges are, in the reasonable opinion of the Borrower, adequate in all material respects. No Liens for Taxes have been filed and, to the knowledge of the Borrower, no claim is being asserted with respect to any such Tax or other such governmental charge.

4.13 Properties.

(a) Title.

(i) Each Loan Party has good and defensible title to its material Oil and Gas Properties and good title to all its material personal Properties (or a valid leasehold interest with respect to all material leasehold interests in other real or personal Property), in each case, free and clear of all Liens other than Permitted Liens and except for such defects as could not, individually or in the aggregate, reasonably be expected to materially detract from the value thereof to, or the use thereof in, the business of the applicable Loan Party; and

(ii) To the knowledge of each Loan Party, the rights and Properties presently owned, leased or licensed by such Loan Party including, without limitation, all easements and rights of way, include all rights and Properties reasonably necessary to permit such Loan Party to conduct its business.

(b) Oil and Gas Properties. Such Loan Party's Oil and Gas Properties (and related Facilities) have been maintained, operated and developed in a good and workmanlike manner and in conformity with all Governmental Requirements and in conformity in all material respects with the provisions of all material leases, subleases or other contracts comprising a part of such Loan Party's Hydrocarbon Interests and other material contracts and agreements forming a part of such Loan Party's Oil and Gas Properties. Specifically in connection with the foregoing, except for those as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (i) no Oil and Gas Property of such Loan Party is subject to having allowable production reduced below the full and regular allowable (including the maximum permissible tolerance) because of any overproduction (whether or not the same was permissible at the time) and (ii) none of the wells comprising a part of such Loan Party's Oil and Gas Properties is deviated from the vertical more than the maximum permitted by Governmental Requirements,

and such wells are, in fact, bottomed under and are producing from, and the well bores are wholly within, or otherwise are legally located within, such Loan Party's Oil and Gas Properties (or in the case of wells located on Facilities unitized therewith, such unitized Properties).

(c) Intellectual Property. Each Loan Party owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other Intellectual Property material to its business, and the use thereof by such Person does not infringe upon the rights of any other Person unless such infringement could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Loan Party either owns or has valid licenses or other rights to use all databases, geological data, geophysical data, engineering data, seismic data, maps, interpretations and other technical information used or usable in the conduct of its business, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for companies engaged in the business of the exploration and production of Hydrocarbons.

4.14 Environmental Matters. Except for such matters as set forth on Schedule 4.14:

(a) Each Loan Party's operations on the Oil and Gas Properties (and to the knowledge of the Loan Parties, after reasonable and customary due diligence, all Oil and Gas Properties) are, and within all applicable statute of limitation periods have been, in compliance with all applicable Environmental Laws.

(b) The Loan Parties have obtained all material Environmental Permits required for the operations of their respective Oil and Gas Properties, with all such material Environmental Permits being currently in full force and effect, and no Loan Party has received any written notice or otherwise has knowledge that any such existing material Environmental Permit will be revoked or that any application for any new material Environmental Permit or renewal of any existing material Environmental Permit will be protested or denied.

(c) There are no claims, demands, suits, orders, inquiries, or proceedings concerning any material violation of, or any material liability (including as a potentially responsible party) under, any applicable Environmental Laws that is pending or, to the Borrower's knowledge, threatened against any Loan Party or any Loan Party's Oil and Gas Properties or as a result of any operations at such Properties.

(d) None of the Properties of any Loan Party contain any: (i) underground storage tanks; (ii) asbestos-containing materials; (iii) landfills or dumps; (iv) hazardous waste management units as defined pursuant to RCRA or any comparable state law; or (v) sites on or nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law, in each case, that is reasonably likely to result in a material liability under Environmental Law.

(e) There has been no Release or, to the Borrower's knowledge, threatened Release, of Hazardous Materials at, on, under or from any Loan Party's Properties that is required by law to be reported to any Governmental Authority or that would materially adversely affect the Properties (individually or cumulatively with any other Release). There are no material investigations, remediations, abatements, removals, or monitorings of Hazardous Materials

required under applicable Environmental Laws at such Properties; and, to the knowledge of the Borrower, none of such Properties are adversely affected by any Release or threatened Release of a Hazardous Material originating or emanating from any other real Property that could reasonably be expected to result in any material liability of any Loan Party under Environmental Law.

(f) No Loan Party nor, to the knowledge of the Loan Parties, any operator of any Loan Party's Oil and Gas Properties, has received any written notice asserting an alleged material liability or material obligation under any applicable Environmental Laws with respect to the investigation, remediation, abatement, removal, or monitoring of any Hazardous Materials at, under, or Released or threatened to be Released from any real properties offsite any Loan Party's Properties (solely during and with respect to any Loan Party's or its Subsidiary's ownership thereof) and, to the Borrower's knowledge, there are no conditions or circumstances that could reasonably be expected to result in the receipt of such written notice.

(g) There has been no exposure of any Person or Property to any Hazardous Materials as a result of or in connection with the operations and businesses of any Loan Party's Oil and Gas Properties that could reasonably be expected to form the basis for a material claim for damages or compensation against such Loan Party or any of its Subsidiaries and, to the Borrower's knowledge, there are no conditions or circumstances that could reasonably be expected to result in the receipt of notice regarding such exposure.

The Loan Parties have provided to Administrative Agent complete and correct copies of all environmental site assessment reports, and all material investigations, studies, analyses, and correspondence on environmental matters (including matters relating to any alleged non-compliance with or liability under Environmental Laws) that are in the Borrower's possession or control and relating to any Loan Party's Oil and Gas Properties or operations thereon.

4.15 No Defaults. No Default or Event of Default has occurred and is continuing.

4.16 [Reserved].

4.17 Governmental Regulation. No Loan Party is subject to regulation under the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18 Margin Stock. No Loan Party is engaged in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans made by such Loan Party will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

4.19 Employee Matters. Except as would not reasonably be expected to have a Material Adverse Effect, (i) the Loan Parties, and their respective employees, agents and

representatives have not committed any material unfair labor practice as defined in the National Labor Relations Act, (ii) no Loan Party has been or is engaged in any unfair labor practice And (iii) there has been and is (a) no unfair labor practice charge or complaint pending against any Loan Party, or to the knowledge of the Borrower, threatened against any of them before the National Labor Relations Board or any other Governmental Authority, and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement or similar agreement that is so pending against any Loan Party, or to the knowledge of the Borrower, threatened against any of them, (b) no labor dispute, strike, lockout, slowdown or work stoppage in existence or, to the knowledge of the Borrower, threatened against, involving or affecting any Loan Party, (c) no labor union, labor organization, trade union, works council, or group of employees of any Loan Party that has made a pending demand for recognition or certification, and no representation or certification proceedings or petitions seeking a representation proceeding that is presently pending or, to the knowledge of the Borrower, threatened to be brought or filed with the National Labor Relations Board or any other Governmental Authority, and (d) to the knowledge of the Borrower, no union representation question existing, or labor union organizing activity, with respect to any employees of any Loan Party.

4.20 Employee Benefit Plans. Except as could not reasonably be expected to result in a Material Adverse Effect, (a) Borrower, its Subsidiaries and each of their respective ERISA Affiliates are in compliance in all material respects with all applicable provisions and requirements of ERISA and the Internal Revenue Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan in all material respects, (b) each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service indicating that such Employee Benefit Plan is so qualified and to the knowledge of the Loan Parties nothing has occurred subsequent to the issuance of such determination letter which would cause such Employee Benefit Plan to lose its qualified status, (c) no liability to the PBGC (other than required premium payments) or the Internal Revenue Service has been or is expected to be incurred by any Loan Party or any of their ERISA Affiliates with respect to any Employee Benefit Plan, (d) no ERISA Event has occurred or is reasonably expected to occur, (e) except to the extent required under Section 4980B of the Internal Revenue Code or similar state laws, or otherwise funded entirely by the participants thereof, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of Borrower, or any its Subsidiaries or any of their respective ERISA Affiliates, (f) the present value of the aggregate benefit liabilities under each Pension Plan sponsored, maintained or contributed to by Borrower, any of its Subsidiaries or any of their ERISA Affiliates (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Pension Plan), did not exceed the aggregate current value of the assets of such Pension Plan (g) as of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, there is no potential liability of Borrower, its Subsidiaries and their respective ERISA Affiliates for a complete or partial withdrawal from such Multiemployer Plan and (h) Borrower, its Subsidiaries and each of their ERISA Affiliates have complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and are not in material "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan.

4.21 Brokers. No broker's or finder's fee or commission will be payable with respect hereto or any of the Transactions.

4.22 [Reserved].

4.23 [Reserved].

4.24 Disclosure. No representation or warranty of any Loan Party contained in any Loan Document and none of the reports, financial statements, certificates furnished to Administrative Agent and the Lenders by or on behalf of any Loan Party for use in connection with the Transactions (other than projections and pro forma financial information contained in such materials), taken as a whole, contains any untrue statement of a material fact or omits to state a material fact (known to the Borrower, in the case of any document not furnished by it) necessary in order to make the statements contained herein or therein not misleading as of the time when made or delivered in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, it being recognized by the Administrative Agent and the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and that such differences may be material. There are no agreements, instruments and corporate or other restrictions to which any Loan Party is subject, and there are no facts known (or which should upon the reasonable exercise of diligence be known) to the Borrower (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby.

4.25 Insurance. The Loan Parties maintain insurance in compliance with the requirements of Section 5.6. Schedule 4.25 sets forth a list of all insurance maintained by or on behalf of the Loan Parties as of the Closing Date and, as of the Closing Date, all premiums in respect of such insurance have been paid.

4.26 Separate Entity. The Borrower (a) has taken all necessary steps to maintain the separate status and records of the Loan Parties, on a consolidated basis, (b) does not commingle any assets or business functions with any other Person (other than any Loan Party), (c) maintains separate financial statements from all other Persons (other than the other Loan Parties), (d) holds itself out to the public and creditors as an entity separate from all other Persons (other than the other Loan Parties), (e) has not committed any fraud or misuse of the separate entity legal status and (f) has not maintained its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of its stockholders.

4.27 Security Interest in Collateral. Subject to entry of the DIP Order, the provisions of the DIP Order and the Collateral Documents create legal, valid, and enforceable fully perfected Liens on the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties, with the priority ascribed to such Liens in the DIP Order.

4.28 Covered Person Transactions. Except as disclosed in Schedule 4.28, as of the Closing Date, there are no existing or proposed agreements, arrangements, or transactions between any Loan Party on the one hand, and any Covered Person on the other hand. Except as disclosed on Schedule 4.28, as of the Closing Date, no Covered Person is directly indebted to or has any direct ownership, partnership, or voting interest in any Loan Party. To the knowledge of the Borrower, none of the Loan Parties are party to any arrangement or understanding with a Covered Person, regardless of whether such arrangement has been formalized, unless such transaction is upon fair and reasonable terms no less favorable to it than it would obtain in a comparable arm's length transaction with a Person who is not a Covered Person.

4.29 Swap Agreements. Schedule 4.29, as of the Closing Date, and after the Closing Date, each report required to be delivered by the Borrower pursuant to Section 5.1(o), sets forth, a true and complete list of all Swap Agreements of the Loan Parties, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the Net Mark-to-Market Exposure thereof and the counterparty to each such agreement.

4.30 Permits, Etc. Except as disclosed in Schedule 4.30, each Loan Party has, and is in compliance with, all material Governmental Authorizations required for such Person lawfully to own, lease, manage or operate, or to acquire, each business currently owned, leased, managed or operated, or to be acquired, by such Person and no condition exists or event has occurred which, in itself or with the giving of notice or lapse of time or both, would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such Governmental Authorization, and there is no written claim that any thereof is not in full force and effect.

4.31 Names and Places of Business. No Loan Party has, during the preceding five years, been known by, or used any other trade or fictitious name, except as disclosed in Schedule 4.31. The chief executive office and principal place of business of each Loan Party is located at the address of such Person set out in Schedule 4.31. Except as indicated in Schedule 4.31, no Loan Party has had any other office or place of business within the past 5 years. Each such Person's jurisdiction of organization, name as listed in the public records of its jurisdiction of organization, organizational identification number in its jurisdiction of organization, and Federal Taxpayer Identification Number is stated on Schedule 4.31 (or as set forth in a notice delivered pursuant to Section 5.1(m).

4.32 Marketing of Production. Except for contracts listed and in effect on the Closing Date on Schedule 4.32, and thereafter either disclosed in writing to Administrative Agent (with respect to all of which contracts the Borrower represents that it or the applicable Loan Party is receiving a price for all production sold thereunder which is computed substantially in accordance with the terms of the relevant contract and is not having deliveries curtailed substantially below the subject Property's delivery capacity), no material agreements exist that are not cancelable by the applicable Loan Party on 60 days' notice or less without penalty or detriment for the sale of production from any Loan Party's Hydrocarbons (including, without limitation, calls on or other rights to purchase production, whether or not the same are currently being exercised) that pertain to the sale of production at a fixed price and have a maturity or expiry date of longer than six (6) months from the Closing Date. Cash Receipts will be paid in full to the Loan Parties' deposit accounts on a timely basis following receipt thereof, and none of such proceeds are currently being

held in suspense by such purchaser or any other Person. Except as set forth in Schedule 4.32 or otherwise disclosed in writing to the Administrative Agent, none of the Oil and Gas Properties of any Loan Party is subject to any contractual or other arrangement whereby payment for production therefrom is to be deferred for more than sixty (60) days after the month in which such production is delivered.

4.33 Right to Receive Payment for Future Production. Except as set forth in Schedule 4.33, as of the Closing Date, no Oil and Gas Property is subject to any "take or pay", gas imbalances (in excess of one-half bcf of gas (on an mcf equivalent basis)) or other similar arrangement which can be satisfied in whole or in part by the production or transportation of gas from other properties or as a result of which production from any Oil and Gas Property may be required to be delivered to one or more third parties without payment (or without full payment) therefor as a result of payments made, or other actions taken, with respect to other properties. Since the date of this Agreement, no material changes have occurred in such overproduction or underproduction except those that have been reported as required pursuant to Section 5.1.

4.34 [Reserved].

4.35 [Reserved].

4.36 Anti-Corruption Laws. Each Loan Party, and to the knowledge of any Loan Party, all directors, officers, agents, employees or Affiliates of the Loan Parties have conducted their business in accordance with Anti-Corruption Laws in all material respects and have instituted and maintained policies and procedures which are reasonably expected to achieve compliance with such Anti-Corruption Laws.

4.37 OFAC. No Loan Party, nor to the knowledge of any Loan Party, any director, officer, employee, agent or Affiliate of a Loan Party, is an individual or entity that is, or is owned or controlled by any individual or entity that is (a) currently the subject or target of any Sanctions or (b) located, organized, resident or operating in a Designated Jurisdiction.

SECTION 5.
AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees that until the Obligations have been paid in full (other than contingent obligations for which no claim has been made) or otherwise satisfied, such Loan Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 5.

5.1 Financial Statements and Other Reports. Unless otherwise provided below, the Borrower will deliver to Administrative Agent and Lenders:

(a) Monthly Financial Statements. As soon as available, and in any event within forty-five (45) days after the end of each calendar month, the consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such month and the related consolidated statements of income, stockholders' equity and cash flows of the Borrower and its consolidated Subsidiaries for such month and for the period from the beginning of the then-current

Fiscal Year to the end of such month, setting forth in each case in comparative form the corresponding figures for the prior period, all in reasonable detail, together with a Financial Officer Certification with respect thereto and any other operating reports prepared by management for such period;

(b) [Reserved];

(c) [Reserved];

(d) Daily Reports. Promptly upon the receipt thereof, a copy or electronic copy of all drilling and recompletion reports received by any Loan Party or Subsidiary of any Loan Party;

(e) [Reserved];

(f) Notice of Litigation. Prompt written notice (but, in any event, within ten (10) Business Days) upon any Authorized Officer of any Loan Party obtaining knowledge of (i) the receipt by any Loan Party of the institution of any Adverse Proceeding not previously disclosed in writing by the Borrower to the Administrative Agent which could result in liabilities in excess of $500,000, or (ii) any material development in any Adverse Proceeding previously required to be disclosed hereunder;

(g) ERISA. (i) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event that would reasonably be expected to result in a material liability to a Loan Party, a prompt written notice (but, in any event, within ten (10) Business Days) specifying the nature thereof, what action the Borrower, any of its Subsidiaries has taken, is taking or proposes to take with respect thereto and, when known, any action taken or, to the knowledge of the Borrower, threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness (but, in any event, within ten (10) Business Days), copies of (A) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan for which the Borrower or its subsidiaries could reasonably be expected to have any material liability; (B) all notices received by Borrower, any of its Subsidiaries from a Multiemployer Plan sponsor concerning an ERISA Event; and (C) copies of such other documents or governmental reports or filings relating to any Employee Benefit Plan as the Requisite Lenders shall reasonably request;

(h) [Reserved];

(i) [Reserved];

(j) Notice of Change in Board of Directors. Promptly, written notice of any change in the board of directors or managers (or similar governing body) of any Loan Party;

(k) Board of Directors Materials. Promptly following any request therefor, such materials prepared for and distributed in connection with meetings of or actions taken by the

directors or managers (or similar governing body) of the Borrower that are related to the financial condition of the Borrower or any Indebtedness of the Borrower (other than any materials or information that are privileged or are governed by a confidentiality agreement prohibiting the sharing of such information with Administrative Agent or the Lenders);

(l) Notice Regarding Material Contracts. Promptly, and in any event within ten (10) Business Days (i) after any Material Contract of any Loan Party is terminated (other than an expiration in accordance with its terms) or amended in a manner materially adverse to the Lenders and (ii) after any new Material Contract is entered into, a written statement describing such event, delivered to Administrative Agent, and an explanation of any actions being taken with respect thereto;

(m) Information Regarding Collateral. The Borrower will furnish to Administrative Agent written notice at least thirty (30) days (or such shorter period as may be agreed by the Administrative Agent) prior to the occurrence of any change in any Loan Party's (i) organizational name, (ii) identity or organizational structure or (iii) Federal Taxpayer Identification Number. The Borrower agrees not to effect or permit any change referred to in the preceding sentence unless arrangements have been made for all filings under the UCC or other applicable law or otherwise that are required in order for Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral and for the Collateral at all times following such change to have a valid, legal and perfected security interest as contemplated in the Collateral Documents. The Borrower will furnish to Administrative Agent prompt written notice of the Borrower's knowledge of any Lien or claims made or asserted against any Collateral or interest therein. The Borrower also agrees promptly to notify Administrative Agent in writing if any Collateral with a value over $500,000 is destroyed;

(n) Aging Reports. Together with each delivery of financial statements of the Borrower and its consolidated Subsidiaries pursuant to Section 5.1(a), (i) a summary of the accounts receivable aging report of each Loan Party as of the end of such period, and (ii) a summary of accounts payable aging report of each Loan Party as of the end of such period, in each case in form and substance reasonably satisfactory to Administrative Agent;

(o) Swap Agreements. As soon as practicable and in any event within ten (10) Business Days of the occurrence thereof, written notice of any Loan Party's entry into a Swap Agreement or the termination (other than an expiration in accordance with its terms) or modification of any Swap Agreement by any party thereto; provided that this clause shall not permit any Loan Party to enter into or modify a Swap Agreement not otherwise permitted by this Agreement;

(p) [Reserved].

(q) [Reserved].

(r) Oil and Gas Properties. Within forty-five (45) days after the end of each calendar month, with respect to Oil and Gas Properties operated by the Borrower, or within fifteen (15) days of being provided the same from the operator of any Oil and Gas Properties, with respect

to Oil and Gas Properties not operated by the Borrower, drilling, production and lease operating statement reports in detail reasonably acceptable to the Requisite Lenders in their sole discretion with respect to the Oil and Gas Properties of each Loan Party during such month:

(i) setting forth as to each well being drilled, completed, reworked or other similar procedures, the actual versus estimated gross and net cost breakdown (for all activities, including dry hole and completion activities) for such well;

(ii) describing by field the gross and net quantities of oil, gas, natural gas liquids, and water produced (and the quantities of water injected);

(iii) describing by field the gross and net quantities of oil, gas and natural gas liquids sold during such month out of production from any Loan Party's Oil and Gas Properties and calculating the average sales prices of such oil, natural gas, and natural gas liquids;

(iv) describing of all leases acquired during the preceding month indicating the date each lease was acquired;

(v) specifying in detail any leasehold operating expenses, overhead charges, gathering costs, transportation costs, and other costs with respect to any Loan Party's Oil and Gas Properties of the kind chargeable as direct charges or overhead under COPAS;

(vi) setting forth the amount of Taxes on each Loan Party's Oil and Gas Properties during such month and the amount of royalties paid with respect to such Oil and Gas Properties during such month; and

(vii) attaching thereto all drill site opinions or division order opinions prepared by or for any operator of any Oil and Gas Properties to the extent not previously delivered.

(s) Updates to Budget. The Borrower shall, and shall cause each of its Subsidiaries to, provide updates to the Budget as required by the DIP Order.

(t) Chapter 11 Plan and 363 Asset Sale Process. The Borrower shall, and shall cause each of its Subsidiaries to, (A) on a regular basis, consult with and update the Lenders regarding the status of the chapter 11 plan of liquidation and/or the 363 Asset Sale Process, (B) promptly, following the request of the Administrative Agent, furnish to the Administrative Agent and any Lender all documentation and information regarding the chapter 11 plan of liquidation and/or the 363 Asset Sale Process requested by the Administrative Agent and/or such Lender, and (C) make the chief restructuring officer of the Borrower and, as requested from time to time, representatives of TenOaks Energy Partners, LLC, the Borrower's sale agent, available for weekly telephone conferences with the Administrative Agent and/or the Lenders to be held at such times as agreed to by the Borrower and the Administrative Agent.

(u) Other Information. (1) Promptly after submission to any Governmental Authority, all material documents and information furnished to such Governmental Authority in connection with any investigation of any Loan Party (other than any routine inquiry), (2) promptly upon receipt thereof, copies of all management reports submitted to any Loan Party by its auditors in connection with any audit of the books thereof and (3) such other information and data with respect to any Loan Party as from time to time may be reasonably requested by the Administrative Agent or the Requisite Lenders.

5.2 Notice of Material Events. Each Loan Party will furnish to Administrative Agent prompt written notice (but, in any event, within ten (10) Business Days) of the following:

(a) (i) any condition or event that constitutes a Default or an Event of Default or that notice has been given to any Loan Party with respect thereto; (ii) that any Person has given any notice to any Loan Party or taken any other action with respect to any event or condition set forth in Section 7.1(b); or (iii) the occurrence of any event or change that has caused or could reasonably be expected to result in, either individually or in the aggregate, a Material Adverse Effect, which notice shall be accompanied by a certificate of an Authorized Officer specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action the Borrower has taken, is taking and proposes to take with respect thereto;

(b) the filing or commencement of, or the receipt of a threat in writing of, any action, suit, proceeding, investigation or arbitration by or before any arbitrator or Governmental Authority against or affecting any Loan Party not previously disclosed in writing (including in the Schedules hereto) to Administrative Agent that has caused or could reasonably be expected to result in, liability in excess of $500,000 or any material adverse development in any action, suit, proceeding, investigation or arbitration previously disclosed to Administrative Agent;

(c) the filing or commencement of any action, suit, proceeding, or arbitration by or on behalf of any Loan Party that could reasonably be expected to result in damages in favor of such Loan Party valued in excess of $500,000;

(d) the occurrence of any ERISA Event that, individually, could reasonably be expected to result in an obligation of a Loan Party to pay money in an aggregate amount exceeding $500,000;

(e) [Reserved];

(f) [Reserved];

(g) receipt of any incident of noncompliance or similar notice from a Governmental Authority which would cost $500,000 or more to remediate; and

(h) any other development that results in, or could reasonably be expected to result in, either individually or in the aggregate, a Material Adverse Effect.

5.3 Separate Existence. Borrower will (a) take all necessary steps to maintain the separate entity and records of the Loan Parties, on a consolidated basis, (b) not commingle any assets or business functions with any other Person (other than any Loan Party), (c) maintain separate financial statements from all other Persons (other than the other Loan Parties, (d) hold itself out to the public and creditors as an entity separate from all other Persons (other than the other Loan Parties), (e) not commit any fraud or misuse of the separate entity legal status, (f) not maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of its partners or Affiliates, and (g) not change (or permit to be changed) its status as a domestic partnership for United States federal tax purposes.

5.4 Payment of Taxes and Claims. Each Loan Party will file all material tax returns required to be filed by it in any jurisdiction and pay all material Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and pay all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and/or that by law have or could reasonably be expected to become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (b) in the case of a Tax or claim which has or would reasonably be expected to become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. No Loan Party will file or consent to the filing of any consolidated income tax return with any Person (except that the Borrower may file a consolidated return with its Subsidiaries and, for the avoidance of doubt, the Borrower and/or its Subsidiaries may be classified as partnerships or as disregarded entities for applicable tax purposes).

5.5 Operation and Maintenance of Properties. Each Loan Party, at its own expense, will:

(a) operate its Oil and Gas Properties and other Properties or cause such Oil and Gas Properties and other Properties to be operated in accordance with the practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all Governmental Requirements of all applicable Governmental Authorities, including, without limitation, applicable pro ration requirements and Environmental Laws, and all Governmental Requirements of every other Governmental Authority from time to time with the authority to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom;

(b) keep and maintain all Property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and preserve, maintain and keep in good repair, working order and efficiency (ordinary wear and tear excepted) all of its Oil and Gas Properties and other Properties material to the conduct of its business, including, without limitation, all equipment, machinery and facilities; and

(c) promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all delay rentals, royalties, expenses and indebtedness accruing under the leases or other agreements affecting or pertaining to its material Oil and Gas Properties and do all other things necessary to keep unimpaired its rights with respect thereto and prevent any forfeiture thereof or default thereunder.

In the event any of the Oil and Gas Properties are not operated by any Loan Party or an Affiliate of any Loan Party, then the applicable Loan Party shall use its commercially reasonable efforts to cause any third party operator to comply with the provisions of this Section 5.5.

5.6 Insurance. Each Loan Party will maintain or cause to be maintained, with financially sound and reputable insurers, casualty insurance, such public liability insurance, and third party property all risk damage insurance, in each case, with respect to liabilities, losses or damage in respect of the assets, properties and businesses of the Loan Parties as are customarily carried or maintained under similar circumstances by Persons of established reputation of similar size and engaged in similar businesses, in such amounts, with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons, and any such insurance policies shall be reasonably satisfactory to the Administrative Agent in its sole discretion. Each such policy of insurance shall (a) in the case of casualty insurance, contain loss payable clauses or similar provisions in each such insurance policy or policies containing endorsements in favor of and made payable to Administrative Agent as its interests may appear and (b) in the case of liability insurance, name Administrative Agent as "additional insured" and provide that the insurer will endeavor to give no less than 30 days prior written notice of any cancellation to Administrative Agent (10 days for non-payment).

5.7 Books and Records; Inspections. Each Loan Party will (a) keep adequate books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities and (b) permit any representatives designated by Administrative Agent on behalf of all Lenders (including employees of Administrative Agent or any consultants, accountants, lawyers and appraisers retained by Administrative Agent) and a representative of each Lender to visit and inspect any of the properties of any Loan Party, to inspect, copy and take extracts from its financial and accounting records (in each case, subject to compliance with confidentiality agreements and applicable copyright laws), and to discuss its affairs, finances and accounts with its officers and independent accountants, and, if the Borrower requests, in the presence of an Authorized Officer or an appointee of an Authorized Officer, at the expense of the Lenders, all upon reasonable advance notice and at such reasonable times during normal business hours (so long as no Default or Event of Default has occurred and is continuing) and as often as may reasonably be requested, and by this provision the Loan Parties authorize such accountants to discuss with Administrative Agent and such representatives the affairs, finances and accounts of each Loan Party. The Loan Parties acknowledge that Administrative Agent or a representative of a Lender, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Loan Parties' assets for internal use by Administrative Agent and the Lenders.

5.8 Compliance with Laws and Contractual Obligations. Each Loan Party will comply, and will use commercially reasonable efforts to cause all other Persons (including any

operator), if any, on or occupying any Facilities or any Oil and Gas Properties to comply, with the applicable Loan Party's contractual obligations and the requirements of all applicable Governmental Requirements of any Governmental Authority (including all Environmental Laws) in all material respects. The Borrower will maintain in effect and enforce such policies and procedures, if any, as they reasonably deem appropriate, in light of their businesses and international activities (if any), to ensure compliance by the Borrower, its Subsidiaries and each of their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

5.9 Environmental.

(a) Environmental Disclosure. The Borrower will deliver to Administrative Agent and Lenders:

(i) as soon as practicable following receipt thereof by any Loan Party, copies of all environmental audits, investigations, analyses and reports of any kind or character, whether prepared by personnel of any Loan Party or by independent consultants, Governmental Authorities or any other Persons, with respect to significant environmental matters at any Facility or any Oil and Gas Properties of any Loan Party or with respect to any Environmental Claims;

(ii) promptly upon the occurrence thereof, written notice describing in reasonable detail (1) any Release required to be reported to any federal, state or local Governmental Authority under any applicable Environmental Laws, (2) any remedial action taken by any Loan Party or any other Person in response to a. any Hazardous Materials Activities the existence of which has a reasonable possibility of resulting in one or more Environmental Claims, or b. any Environmental Claims and (3) any Loan Party's discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Facility or any Oil and Gas Property that could reasonably be expected to cause such Facility or such Oil and Gas Property or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws;

(iii) as soon as practicable following the sending or receipt thereof by any Loan Party or any operator, a copy of any and all written communications with respect to (1) any Environmental Claims, (2) any Release required to be reported to any federal, state or local Governmental Authority, and (3) any request for information from any Governmental Authority that suggests such agency is investigating whether any Loan Party may be potentially responsible for any Hazardous Materials Activity; and

(iv) prompt written notice describing in reasonable detail (1) any proposed acquisition of stock, assets, or property by any Loan Party that could reasonably be expected to a. expose any Loan Party to, or result in, Environmental Claims or b. affect the ability of any Loan Party to maintain in full force and effect all material Governmental Authorizations required under any Environmental Laws for their respective operations and (2) any proposed action to be taken by any Loan Party to modify current operations in a

manner that could reasonably be expected to subject any Loan Party to any additional material obligations or requirements under any Environmental Laws.

(b) Hazardous Materials Activities, Etc. Each Loan Party shall promptly take, and shall use commercially reasonable efforts to cause each operator promptly to take, any and all actions reasonably necessary to (i) cure any violation of applicable Environmental Laws by such Person, and (ii) make an appropriate response to any Environmental Claim against such Person and discharge any obligations it may have to any Person thereunder.

(c) Right of Access and Inspection. With respect to any event described in Section 5.9(a) or if an Event of Default has occurred and is continuing:

(i) Administrative Agent and its representatives shall have the right, but not the obligation or duty, upon reasonable notice to enter the applicable Oil and Gas Properties at reasonable times for the purposes of observing the applicable Oil and Gas Properties. Such access shall include, at the reasonable request of Administrative Agent, access to relevant documents and employees of each Loan Party and to their outside representatives, to the extent necessary to obtain necessary information related to the event at issue. If an Event of Default has occurred and is continuing, the Loan Parties shall conduct such tests and investigations on the Oil and Gas Properties of the affected Loan Party or relevant portion thereof, as reasonably requested by Administrative Agent, including the preparation of a Phase I Report or such other sampling or analysis as determined to be necessary under the circumstances by a qualified environmental engineer or consultant. If an Event of Default has occurred and is continuing, and if a Loan Party does not undertake such tests and investigations in a reasonably timely manner following the request of Administrative Agent, Administrative Agent may hire an independent engineer, at the Loan Parties' expense, to conduct such tests and investigations. Administrative Agent will make all reasonable efforts to conduct any such tests and investigations so as to avoid interfering with the operation of the Oil and Gas Properties.

(ii) any observations, tests or investigations of the Oil and Gas Properties by or on behalf of Administrative Agent shall be solely for the purpose of protecting the Lenders' interests and rights under the Loan Documents. The exercise or non-exercise of Administrative Agent's rights under this subsection (c) shall not constitute a waiver of any Default or Event of Default of any Loan Party or impose any liability on Administrative Agent or any of the Lenders. In no event will any observation, test or investigation by or on behalf of Administrative Agent be a representation that Hazardous Materials are or are not present in, on or under any of the Oil and Gas Properties, or that there has been or will be compliance with any Environmental Law, and Administrative Agent shall not be deemed to have made any representation or warranty to any party regarding the truth, accuracy or completeness of any report or findings with regard thereto. Neither any Loan Party nor any other Person is entitled to rely on any observation, test or investigation by or on behalf of Administrative Agent. Administrative Agent and the Lenders owe no duty of care to protect any Loan Party or any other Person against, or to inform any Loan Party or any other Person of, any Hazardous Materials or any other adverse condition affecting any of the Facilities or any other Oil and Gas Properties.

Administrative Agent may, in its sole discretion, disclose to the applicable Loan Party, or to any other Person if so required by law, any report or findings made as a result of, or in connection with, its observations, tests or investigations. If a request is made of Administrative Agent to disclose any such report or finding to any third party, then Administrative Agent shall endeavor to give the applicable Loan Party prior notice of such disclosure and afford such Loan Party the opportunity to object or defend against such disclosure at its own and sole cost; provided, that the failure of Administrative Agent to give any such notice or afford such Loan Party the opportunity to object or defend against such disclosure shall not result in any liability to Administrative Agent. Each Loan Party acknowledges that it may be obligated to notify relevant Governmental Authorities regarding the results of any observation, test or investigation disclosed to such Loan Party, and that such reporting requirements are site and fact-specific and are to be evaluated by such Loan Party without advice or assistance from Administrative Agent.

5.10 Subsidiaries.

(a) In the event that any Person becomes a Subsidiary of any Loan Party, whether directly or indirectly, such Loan Party shall, within thirty (30) days after such Person becoming a Subsidiary, pledge to Administrative Agent all of the Capital Stock of such Subsidiary (including, without limitation, delivering original stock certificates, if any, evidencing the Capital Stock of such Subsidiary, together with an appropriate undated stock power for each certificate duly executed in blank by the registered owner thereof), cause such Subsidiary to become a Guarantor of the Obligations by executing and delivering the Guaranty to the Administrative Agent, and take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates as reasonably requested by the Requisite Lenders.

(b) Any Subsidiary of the Borrower must be a wholly-owned Subsidiary.

5.11 Further Assurances.

(a) At any time or from time to time upon the request of Administrative Agent, each Loan Party will, at its expense, promptly execute, acknowledge and deliver (or cause the applicable Subsidiary becoming a Loan Party pursuant to Section 5.10 to execute, acknowledge and deliver) such further documents and do such other acts and things as Administrative Agent may reasonably request in order to carry out more effectively the purposes of the Loan Documents, including providing Lenders with any information requested pursuant to Section 9.20 and executing and delivering any security agreements, pledge agreements, deeds of trust, mortgages, control agreements and any other agreements and instruments, in each case in form and substance satisfactory to the Requisite Lenders, necessary to evidence, grant, and perfect the Liens securing the Obligations pursuant to Sections 364(c) and (d) of the Bankruptcy Code.

(b) Each Loan Party hereby authorizes Administrative Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or part of the Collateral of any Loan Party without the signature of such Loan Party where permitted by law, including any financing or continuation statement, or amendment thereto, with "all assets" in the collateral description. A carbon, photographic or other reproduction of the Collateral Documents

or any financing statement covering any Collateral or any part thereof of any Loan Party shall be sufficient as a financing statement where permitted by law.

5.12 Use of Proceeds. The proceeds of the Loans will be used only in the manner and for the purposes set forth in Section 2.4 or in the applicable Borrowing Notice. No part of the proceeds of any Loan will be used, whether directly or indirectly, (a) for any purpose that entails a violation of any Governmental Requirement of any Governmental Authority, including Regulations T, U and X of the Board of Governors of the Federal Reserve System, (b) in connection with any modification, stay or amendment of the DIP Order without prior written consent of the Administrative Agent, or (c) the investigation of, preparation for, or commencement or prosecution of any litigation, proceeding or adverse action against, or challenge to the rights, validity and/or the first-priority status of any Liens and pre-petition secured claims of the Existing Administrative Agent and the Existing Lenders.

5.13 [Reserved].

5.14 [Reserved].

5.15 Budget. Except as otherwise set forth in Section 6.23, each Loan Party will comply in all respects with the terms of the Budget.

5.16 Marketing of Production. All Hydrocarbons produced from the Oil and Gas Properties of any Loan Party shall be marketed on an arm's-length basis to one of more Persons that are not Affiliates of a Loan Party or, if to one or more Persons that are Affiliates of a Loan Party, in accordance with the terms and conditions set forth in Section 4.28. Each agreement for the purchase and sale of Hydrocarbons from any Loan Party's Oil and Gas Properties will be in the name of such Loan Party.

5.17 [Reserved].

5.18 Swap Agreements. The Borrower will maintain in full force and effect the Swap Agreements entered into pursuant to the Budget.

5.19 [Reserved].

SECTION 6.
NEGATIVE COVENANTS

Each Loan Party covenants and agrees that, until indefeasible payment in full of all Obligations (other than contingent obligations for which no claim has been made), such Person shall perform all covenants in this Section 6.

6.1 Indebtedness. No Loan Party shall directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness existing on the Closing Date and described in Schedule 6.1, and repayment, refinancing, refunding, replacement, renewal or extension of such Indebtedness, in whole or in part, so long as such repayment, refinancing, refunding, replacement, renewal or extension does not increase the principal amount of such Indebtedness;

(c) Guarantees with respect to Indebtedness permitted under this Section 6.1;

(d) Indebtedness incurred in strict accordance with the Budget; and

(e) Indebtedness under the Existing Loan Documents.

6.2 Liens. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable and any Capital Stock) of any Loan Party, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except (collectively, "**Permitted Liens**"):

(a) Permitted Encumbrances;

(b) Liens in favor of Administrative Agent for the benefit of the Secured Parties granted pursuant to the DIP Order or any other Loan Document; and

(c) Liens in favor of the Existing Administrative Agent for the benefit of the Existing Lenders and Cargill pursuant to the Existing Loan Documents.

6.3 No Further Negative Pledges. Except with respect to restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Permitted Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), no Loan Party shall permit to exist or enter into any agreement prohibiting the creation or assumption of any Lien in favor of Administrative Agent for the benefit of the Secured Parties upon any of its properties or assets, whether now owned or hereafter acquired.

6.4 Restricted Junior Payments. The Borrower shall not, nor shall it permit any of its Subsidiaries through any manner or means or through any other Person to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Junior Payment except (a) each Subsidiary of a Loan Party may make Restricted Junior Payments to such Loan Party and (b) the Borrower may pay management, monitoring, consulting and advisory fees in connection with the Management Services Agreement in strict accordance with the Budget.

6.5 Restrictions on Subsidiary Distributions. No Loan Party shall create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction

of any kind on the ability of any Subsidiary to (a) pay dividends or make any other distributions on any of such Subsidiary's Capital Stock owned by any Loan Party, (b) repay or prepay any Indebtedness owed by such Subsidiary to any Loan Party or any other Subsidiary of any Loan Party, (c) make loans or advances to any Loan Party or (d) transfer any of its property or assets to any Loan Party, except as required by law.

6.6 Investments. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person, except:

(a) Investments in Cash and Cash Equivalents;

(b) equity Investments owned as of the Closing Date in any other Loan Party;

(c) creation of any additional Subsidiaries of any Loan Party in compliance with Section 5.9;

(d) acquisitions and other Investments made pursuant to the express terms of the Budget or otherwise approved by the Administrative Agent in writing (at the written direction of the Requisite Lenders); and

(e) Investments constituting Swap Agreements permitted by Section 6.1(b).

6.7 [Reserved].

6.8 Fundamental Changes; Disposition of Assets; Acquisitions. No Loan Party shall:

(a) enter into any transaction of merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), other than (i) the merger of any Loan Party or any Subsidiary of a Loan Party with and into any Loan Party or another Subsidiary of any Loan Party (except that, with respect to any such merger or consolidation involving the Borrower, the Borrower must be the surviving entity), (ii) the merger of any other Person with any Loan Party; provided that such Loan Party shall be the continuing or surviving entity, or (iii) as set forth in a chapter 11 plan of liquidation satisfactory to the Requisite Lenders and approved by the Bankruptcy Court in a Final Order;

(b) convey, sell, farm-out, lease or sub lease (as lessor or sublessor), exchange, transfer or otherwise dispose of (including through the sale of a production payment or overriding royalty interest), in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, except (i) sales of Hydrocarbons in the ordinary course of business, (ii) disposals of obsolete, worn out, depleted or uneconomic property, (iii) dispositions of Cash Equivalents for fair value in the ordinary course of business; or (iv) a 363 Asset Sale subject to entry of a Final Order by the Bankruptcy Court order in form and substance acceptable to the Requisite Lenders; or

(c) acquire by purchase or otherwise the business, property (including Oil and Gas Properties) or fixed assets of, or Capital Stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, or make any commitment or incur any obligation to enter into any such transaction, except Investments made in accordance with Section 6.6.

6.9 Limitation on Leases. No Loan Party will create, incur, assume or suffer to exist any obligation for the payment or rent or hire of Property of any kind whatsoever (real or personal but excluding Capital Leases and leases of Hydrocarbon Interests), under leases or lease agreements which would cause the aggregate amount of all payments made by all Loan Parties pursuant to such leases or lease agreements, including, without limitation, any residual payments at the end of any lease, to exceed $500,000 in any period of twelve (12) consecutive calendar months during the life of such leases without the approval of Administrative Agent.

6.10 Sales and Lease Backs. No Loan Party shall directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which such Loan Party (a) has sold or transferred or is to sell or to transfer to any other Person (other than the Borrower or any of its Subsidiaries) or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by such Loan Party to any Person (other than the Borrower or any of its Subsidiaries) in connection with such lease.

6.11 Transactions with Covered Persons. No Loan Party shall, either directly or indirectly, enter into or permit to exist any arrangement or understanding with a Covered Person, regardless of whether such arrangement has been formalized, unless such transaction is upon fair and reasonable terms no less favorable to it than it would obtain in a comparable arm's length transaction with a Person who is not a Covered Person; provided that the foregoing restriction shall not apply to (x) any transaction among Loan Parties and (y) normal and reasonable compensation and reimbursement of expenses of officers and directors in the ordinary course of business; provided, further, that the Loan Parties may perform any obligations under any agreement in existence on the Closing Date and set forth on Schedule 6.11, as the same may be amended, supplemented or otherwise modified from time to time with the consent of the Administrative Agent (provided that the Administrative Agent's consent shall not be required to the extent such amendment, supplement or other modification is not adverse to Administrative Agent or the Lenders).

6.12 Conduct of Business. From and after the Closing Date, no Loan Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than the businesses contemplated by the current Budget or engaged in by such Loan Party on the Closing Date as presently conducted and, in each case, all activities and operations substantially similar, related or incidental thereto.

6.13 Amendments or Waivers of Material Contracts. No Loan Party shall agree to any material amendment, restatement, supplement or other modification to, or waiver of, any Material Contract after the Closing Date, in each case in a manner which could reasonably be expected to be materially adverse to the Lenders, without obtaining the prior written consent of

Administrative Agent to such amendment, restatement, supplement or other modification or waiver, which consent shall not be unreasonably withheld, delayed or conditioned.

6.14 Fiscal Year. No Loan Party shall, nor shall it permit any of its Subsidiaries to, change its Fiscal Year end from December 31.

6.15 [Reserved].

6.16 Amendments to Organizational Agreements. No Loan Party shall materially amend or permit any material amendments to any Loan Party's Organizational Documents in each case in a manner which could reasonably be expected to be materially adverse to the Lenders without the prior written consent of Administrative Agent, which consent shall not be unreasonably withheld, delayed or conditioned.

6.17 [Reserved].

6.18 Gas Imbalances, Take-or-Pay or Other Prepayments. No Loan Party will allow (a) material prepayments (including payments for gas not taken pursuant to "take or pay" or other similar arrangements) for any Hydrocarbons produced or to be produced from any Oil and Gas Property after the Closing Date or (b) any "take or pay", gas imbalances (in excess of 10,000 mcf of gas (on an mcf equivalent basis) in the aggregate) or other similar arrangement that would require the Loan Parties to deliver Hydrocarbons at some future time without receiving full payment therefor at the time of delivery.

6.19 Swap Agreements. The Borrower will not, and will not permit any Subsidiary to, (a) enter into any Swap Agreements with any Person other than Swap Agreements (which, for the avoidance of doubt, shall be in the forms of swaps) in respect of commodities for non-speculative purposes the notional volumes for which (when aggregated with other commodity Swap Agreements then in effect other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements) do not exceed, as of the date such Swap Agreement is executed, 90% of the reasonably anticipated projected production from Proved Developed Producing Oil and Gas Properties for each month during the period during which such Swap Agreement is in effect for each of crude oil, natural gas liquids and natural gas, calculated separately. In no event shall any Swap Agreement contain any requirement, agreement or covenant for the Borrower or any Subsidiary to post collateral or margin to secure their obligations under such Swap Agreement; or (b) novate, assign, terminate, amend or modify any Swap Agreement prior to the end of its original term without the prior written consent of the Administrative Agent.

6.20 [Reserved].

6.21 Sanctions. The Borrower shall not, and shall not permit any other Loan Party, to directly or indirectly, use the proceeds of any Loan, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, (a) to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, (b) in any manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Administrative Agent or otherwise) of Sanctions, or (c) in furtherance of an

offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws.

6.22 363 Asset Sales Process. The Borrower will not, and will not permit any Subsidiary to, enter into any stalking horse agreement in connection with the 363 Asset Sale Process unless satisfactory to the Requisite Lenders in their sole discretion.

6.23 Budget. Unless otherwise consented to by the Requisite Lenders in their sole discretion, the Borrower will not, and will not permit any Subsidiary to fail to comply with any and all reporting, compliance, and other requirements and obligations with respect to the Budget as set forth in the DIP Order.

SECTION 7.
EVENTS OF DEFAULT

7.1 Events of Default. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Failure by the Borrower to pay (i) when due the principal or premium, if any, on any Note whether at stated maturity, by acceleration or otherwise; (ii) when due any installment of principal of any Note, by mandatory prepayment or otherwise; or (iii) when due any interest on any Note or any fee or any other amount due under any Loan Document if such failure under this clause (iii) shall continue unremedied for a period of three (3) Business Days; or

(b) Breach of Budget Covenants. Failure of any Loan Party to perform or comply with any term or condition contained in Sections 5.15 or 6.23 and such failure shall continue unremedied for a period of five (5) days following written notice of such breach by the Lenders to the Borrower; or

(c) Breach of Certain Covenants. Failure of any Loan Party to perform or comply with any term or condition contained in Sections 2.4, 5.1 (but excluding Section 5.1(t)), 5.2, 5.6, 5.8, 5.12 or Section 6; or

(d) Breach of Representations, etc. Any representation, warranty, or certification made or deemed made by any Loan Party in any Loan Document or in any certificate at any time given by any Loan Party in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(e) Other Defaults Under Loan Documents. Any Loan Party shall default in any material respect in the performance of or compliance with any term contained herein or any of the other Loan Documents, other than any such term referred to in any other Section of this Section 7.1, and such default shall not have been remedied or waived within thirty (30) days after the earlier of the knowledge of any Authorized Officer of any Loan Party, as applicable, of such breach or failure and the date notice thereof is received by the Borrower from the Administrative Agent or any Lender; or

(f) [Reserved]; or

(g) [Reserved]; or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving an amount individually or in the aggregate in excess of $500,000 (to the extent not adequately covered by insurance (less any deductible) as to which a solvent and unaffiliated insurance company does not dispute coverage) shall be entered or filed against any Loan Party or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days (or in any event later than the date that enforcement proceedings shall have been commenced by any creditor upon such judgment order or five (5) days prior to the date of any proposed sale thereunder); or

(i) Dissolution. Any order, judgment or decree shall be entered against any Loan Party decreeing the dissolution or split up of such Loan Party, as applicable, and such order shall remain undischarged or unstayed for a period in excess of sixty (60) days; or

(j) Employee Benefit Plans. There shall occur one or more ERISA Events which individually or in the aggregate results in or could reasonably be expected to result in an obligation of Borrower or any of its Subsidiaries to money in an amount that would have a Material Adverse Effect during the term hereof; or

(k) Change of Control. A Change of Control shall occur; or

(l) Change of Operator. The Borrower shall replace the operator of any of the Borrower's Operated Oil and Gas Properties without the consent of the Requisite Lenders which consent shall not be unreasonably withheld, conditioned or delayed; or

(m) [Reserved]; or

(n) Collateral Documents and Other Loan Documents. At any time after the execution and delivery thereof, (i) any Guaranty for any reason, other than the satisfaction in full of all Obligations (other than contingent obligations for which no claim has been made), sale or other disposition permitted by this Agreement (but only with respect to the assets being sold) or a consent provided in accordance with Section 9.6, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate its obligations thereunder, (ii) this Agreement, the DIP Order, or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations (other than contingent obligations for which no claim has been made) in accordance with the terms hereof) or shall be declared null and void, or Administrative Agent shall not have or shall cease to have, or it shall be asserted in writing by any Loan Party, not to have, a valid and perfected First Priority Lien in any Collateral (subject only to Permitted Liens) purported to be covered by the DIP Order and/or the Collateral Documents (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations (other than contingent obligations for which no claim has been made) in accordance with the terms hereof), in each case for any reason other than the failure of Administrative Agent to take any action within its control,

or (iii) any Loan Party shall contest in writing the validity or enforceability of any Loan Document or any Lien on the Collateral or any purported Collateral in favor of Administrative Agent or deny in writing that it has any further liability under any Loan Document to which it is a party; or

(o) Transaction Support Agreement. The Transaction Support Agreement, for any reason, shall cease to be in full force and effect, declared to be null and void, or the Borrower, WET, Weatherly Operating, LLC, or the Sponsor (as defined in the Transaction Support Agreement) repudiates its obligations thereunder; or

(p) DIP Order; Bankruptcy Case:

(i) The reversal or modification of the DIP Order (or any provisions thereof) without the written consent of the Requisite Lenders;

(ii) the occurrence of any "Event of Default" under the DIP Order;

(iii) the Borrower shall propose a plan of reorganization or liquidation that both (A) does not contemplate the payment in full in cash of the Loans on the Maturity Date and (B) is not otherwise acceptable to the Requisite Lenders;

(iv) the conversion of the Bankruptcy Case to a case under chapter 7 of the Bankruptcy Code;

(v) there shall occur a change or transfer of venue relating to the Bankruptcy Case from the United States Bankruptcy Court for the Southern District of Texas;

(vi) any creditor (other the Existing Administrative Agent, the Existing Lenders or Cargill) of the Borrower shall be granted relief from the stay in respect of any Collateral; or

(vii) an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee is appointed.

7.2 Remedies. Upon the occurrence of any Event of Default, upon notice to the Borrower to such effect by Administrative Agent, Administrative Agent, on behalf of the Lenders, may and shall have the right to take any of the following actions: (i) terminate all Commitments; (ii) declare to be immediately due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Loan Party, the Obligations; and (iii) enforce any and all Liens and security interests created pursuant to Collateral Documents and/or the DIP Order.

SECTION 8.
ADMINISTRATIVE AGENT

8.1 Appointment of Administrative Agent. Angelo, Gordon Energy Servicer, LLC is hereby appointed Administrative Agent hereunder and under the other Loan Documents and

each Lender hereby authorizes Angelo, Gordon Energy Servicer, LLC, in such capacity, to act as its agent (including as collateral agent) in accordance with the terms hereof and the other Loan Documents. Administrative Agent hereby agrees to act upon the express conditions contained herein and the other Loan Documents, as applicable. The provisions of this Section 8.1 are solely for the benefit of Administrative Agent and the Lenders and no Loan Party shall have any rights as a primary or third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, Administrative Agent shall act solely as an agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for any Loan Party or any Affiliate thereof.

8.2 Powers and Duties. Each Lender irrevocably authorizes Administrative Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies and perform such duties hereunder and under the other Loan Documents as are specifically delegated or granted to Administrative Agent by the terms hereof and thereof, together with such actions, powers, rights and remedies as are reasonably incidental thereto. Administrative Agent shall have only those duties and responsibilities that are expressly specified herein and the other Loan Documents. Administrative Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. Administrative Agent shall not have or be deemed to have, by reason hereof or any of the other Loan Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon Administrative Agent any obligations in respect hereof or any of the other Loan Documents except as expressly set forth herein or therein.

8.3 General Immunity.

(a) No Responsibility for Certain Matters. Administrative Agent shall not be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Loan Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by Administrative Agent to Lenders or by or on behalf of any Loan Party to Administrative Agent or any Lender in connection with the Loan Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Loan Party or any other Person liable for the payment of any Obligations, nor shall Administrative Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Administrative Agent shall not be responsible for the satisfaction of any condition set forth in Section 3 or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to Administrative Agent. Administrative Agent will not be required to take any action that is contrary to applicable law or any provision of this Agreement or any Loan Document. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the component amounts thereof.

(b) Exculpatory Provisions. Subject to clause (b)(ii) hereof further limiting the liability of Administrative Agent, neither Administrative Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by Administrative Agent under or in connection with any of the Loan Documents except to the extent caused by Administrative Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, nonappealable order. Administrative Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until Administrative Agent shall have received written instructions in respect thereof from Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 9.6) or in accordance with the DIP Order or the applicable Collateral Document, and, upon receipt of such instructions from Requisite Lenders (or such other Lenders, as the case may be), or in accordance with the DIP Order or the other applicable Collateral Document, as the case may be, Administrative Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions, except powers and authority expressly contemplated hereby or under the other Loan Documents. Without prejudice to the generality of the foregoing, Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected and free from liability in relying on opinions and judgments of attorneys (who may be attorneys for the Loan Parties), accountants, experts and other professional advisors selected by it; and no Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent acting or (where so instructed) refraining from acting hereunder or any of the other Loan Documents in accordance with the instructions of Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 9.6) or in accordance with the DIP Order or the applicable Collateral Document. Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Administrative Agent shall first receive such advice or concurrence of the Lenders (as required by this Agreement) and until such instructions are received, Administrative Agent shall act, or refrain from acting, as it deems advisable. If Administrative Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Requisite Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders. No provision of this Agreement or any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby shall require Administrative Agent to: expend or risk its own funds or provide indemnities in the performance of any of its duties hereunder or the exercise of any of its rights or power or otherwise incur any financial liability in the performance of its duties or the exercise of any of its rights or powers. Administrative Agent shall not be responsible for perfecting, maintaining, monitoring, preserving or protecting the security interest or lien granted under this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the filing, re-filing, recording, re-recording or continuing of any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in

any public office at any time or times or providing, maintaining, monitoring or preserving insurance on or the payment of taxes with respect to any of the Collateral. The actions described in items (i) through (iii) shall be the responsibility of the Lenders and the Loan Parties. Administrative Agent shall not be required to qualify in any jurisdiction in which it is not presently qualified to perform its obligations as Administrative Agent. Administrative Agent has accepted and is bound by the Loan Documents executed by Administrative Agent as of the date of this Agreement and, as directed in writing by the Requisite Lenders, Administrative Agent shall execute additional Loan Documents delivered to it after the date of this Agreement; provided, however, that such additional Loan Documents do not adversely affect the rights, privileges, benefits and immunities of Administrative Agent. Administrative Agent will not otherwise be bound by, or be held obligated by, the provisions of any loan agreement, indenture or other agreement governing the Obligations (other than this Agreement and the other Loan Documents to which such Administrative Agent is a party). No written direction given to Administrative Agent by the Requisite Lenders or any Loan Party that in the sole judgment of Administrative Agent imposes, purports to impose or might reasonably be expected to impose upon Administrative Agent any obligation or liability not set forth in or arising under this Agreement and the other Loan Documents will be binding upon Administrative Agent unless Administrative Agent elects, at its sole option, to accept such direction. Administrative Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement or the other Loan Documents arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; business interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action. Beyond the exercise of reasonable care in the custody of the Collateral in the possession or control of the Administrative Agent or its bailee, Administrative Agent will not have any duty as to any other Collateral or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. Administrative Agent will be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and Administrative Agent will not be liable or responsible for any loss or diminution in the value of any of the Collateral by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by Administrative Agent in good faith. Administrative Agent will not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of Administrative Agent, as determined by a court of competent jurisdiction in a final, nonappealable order, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of any grantor to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral. Administrative Agent hereby disclaims any representation or warranty to the present and future Lenders of the Obligations concerning the perfection of the Liens granted hereunder (including, for the avoidance of doubt, pursuant to the DIP Order) or in the value of any of the Collateral. In the event that Administrative Agent is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order

to carry out any fiduciary or trust obligation for the benefit of another, which in Administrative Agent's sole discretion may cause Administrative Agent to be considered an "owner or operator" under any environmental laws or otherwise cause Administrative Agent to incur, or be exposed to, any environmental liability or any liability under any other federal, state or local law, Administrative Agent reserves the right, instead of taking such action, either to resign as Administrative Agent or to arrange for the transfer of the title or control of the asset to a court appointed receiver. Administrative Agent will not be liable to any person for any environmental liability or any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of Administrative Agent's actions and conduct as authorized, empowered and directed hereunder or relating to any kind of discharge or release or threatened discharge or release of any hazardous materials into the environment. Each Lender authorizes and directs Administrative Agent to enter into this Agreement and the other Loan Documents to which it is a party. Each Lender agrees that any action taken by Administrative Agent or Requisite Lenders in accordance with the terms of this Agreement or the other Loan Documents and the exercise by Administrative Agent or Requisite Lenders of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

(c) Notice of Default. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (except knowledge of any failure to pay principal, interest and fees required to be paid hereunder to the Administrative Agent for the benefit of the Lenders) unless Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." Administrative Agent will notify the Lenders of its receipt of any such notice, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

8.4 Administrative Agent Entitled to Act as Lender. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, Administrative Agent in its individual capacity to the extent it becomes a Lender hereunder. With respect to its participation in the Loans, if any, Administrative Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include Administrative Agent in its individual capacity. Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with any Loan Party or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from any Loan Party or any of their respective Affiliates for services in connection herewith and otherwise without having to account for the same to Lenders.

8.5 Lenders' Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants to Administrative Agent that it has made its own independent investigation of the financial condition and affairs of each Loan Party,

without reliance upon Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, in connection with Loans hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of each Loan Party. Administrative Agent shall not have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of the Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and Administrative Agent shall not have any responsibility with respect to the accuracy of or the completeness of any information provided to the Lenders.

(b) Each Lender, by delivering its signature page to this Agreement or a joinder agreement and funding its Note, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by Administrative Agent, Requisite Lenders or Lenders, as applicable.

8.6 Right to Indemnity. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify Administrative Agent, its Affiliates and its officers, partners, directors, trustees, employees, representatives and agents of Administrative Agent (each, an "**Indemnitee Agent Party**"), to the extent that such Indemnitee Agent Party shall not have been reimbursed by any Loan Party, for and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Indemnitee Agent Party in exercising its powers, rights and remedies or performing its duties hereunder or under the other Loan Documents or otherwise in its capacity as such Indemnitee Agent Party in any way relating to or arising out of this Agreement or the other Loan Documents, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF ADMINISTRATIVE AGENT;** provided, no Lender shall be liable for any portion of such claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Indemnitee Agent Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, nonappealable order.

8.7 Successor Administrative Agent.

(a) Administrative Agent may resign at any time by giving thirty (30) days' prior written notice thereof to the Lenders and the Borrower. Upon any such notice of resignation, Requisite Lenders shall have the right, upon five Business Days' notice to the Borrower, to appoint a successor Administrative Agent which successor shall be reasonably acceptable to the Borrower. If no successor shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Requisite Lenders shall perform all of the duties of Administrative Agent, as applicable, hereunder until such time, if any, as the Requisite Lenders appoint a successor Administrative Agent as provided for above. In such case, the Requisite Lenders shall appoint one Person to act as Administrative Agent for purposes of any communications with the Borrower, and

until the Borrower shall have been notified in writing of such Person and such Person's notice address as provided for in Section 9.1, the Borrower shall be entitled to give and receive communications to/from the resigning Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent and the payment of the outstanding fees and expenses of the resigning Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall promptly (i) transfer to such successor Administrative Agent all sums, Capital Stock and other items of Collateral held under the DIP Order or the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Loan Documents, and (ii) execute and deliver to such successor Administrative Agent such amendments to financing statements, and take such other actions, as may be reasonably requested in connection with the assignment to such successor Administrative Agent of the security interests created under the DIP Order or the Collateral Documents (the reasonable out-of-pocket expenses of which shall be borne by the Borrower), whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 8.7 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder.

(b) Notwithstanding anything herein to the contrary, Administrative Agent may assign its rights and duties as Administrative Agent hereunder to (i) an Affiliate of Administrative Agent or to any Lender or Affiliate thereof without the prior written consent of, or prior written notice to, the Borrower or the Lenders or (ii) any other non-Affiliate financing source of Administrative Agent or other third party with the prior written consent of the Requisite Lenders; provided that the Borrower and the Lenders may deem and treat such assigning Administrative Agent as Administrative Agent for all purposes hereof, unless and until such assigning Administrative Agent provides written notice to the Borrower and the Lenders of such assignment. Upon such assignment such Affiliate shall succeed to and become vested with all rights, powers, privileges and duties as Administrative Agent hereunder and under the other Loan Documents.

(c) Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Loan Document by or through any one or more sub-agents appointed by Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. Administrative Agent shall not be responsible for the acts or omissions of its sub-agents so long as they are appointed with due care. The exculpatory, indemnification and other provisions of Section 8.3 and Section 8.6 shall apply to any Affiliates of Administrative Agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein. All of the rights, benefits and privileges (including the exculpatory and indemnification provisions) of Section 8.3 and of Section 8.6 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by Administrative Agent, such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory and rights to indemnification) and shall have all of the rights, benefits and privileges of a third party beneficiary, including an independent right

of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Loan Parties and the Lenders and such sub-agent shall only have obligations to Administrative Agent and not to any Loan Party, Lender or any other Person and no Loan Party, Lender or any other Person shall have the rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent.

8.8 DIP Order and Collateral Documents.

(a) Administrative Agent under the DIP Order and the Collateral Documents; Releases. Each Lender and other Indemnitee hereby further irrevocably authorizes Administrative Agent, on behalf of and for the benefit of the Lenders, to be the agent for and representative of Lenders with respect to the Collateral granted pursuant to the DIP Order and the Collateral Documents and to enter into such other agreements with respect to the Collateral (including intercreditor agreements) as it may deem necessary without further consent from the Lenders. Subject to Section 9.6, without further written consent or authorization from the Lenders, Administrative Agent may execute any documents or instruments necessary to release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 9.6) have otherwise consented, or release any Guarantor from any Guaranty or with respect to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 9.6) have otherwise consented.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Loan Documents (other than the DIP Order) to the contrary notwithstanding, the Borrower, Administrative Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral or to enforce any Guaranty or exercise any other remedy provided under the Loan Documents (other than the right of set-off), it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by Administrative Agent (acting at the written direction of the Requisite Lenders), on behalf of the Lenders in accordance with the terms hereof and all powers, rights and remedies under this Agreement, the DIP Order, and the Collateral Documents may be exercised solely by Administrative Agent (acting at the written direction of the Requisite Lenders), and (ii) in the event of a foreclosure by Administrative Agent on any of the Collateral pursuant to a public or private sale, Administrative Agent or its nominee may be the purchaser of any or all of such Collateral at any such sale and Administrative Agent, as agent for and representative of Lenders (but not any Lender or Lenders in its or their respective individual capacities unless the Requisite Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations arising under the Loan Documents as a credit on account of the purchase price for any collateral payable by Administrative Agent at such sale.

8.9 Posting of Approved Electronic Communications.

(a) Delivery of Communications. Each Loan Party hereby agrees, unless directed otherwise by Administrative Agent or unless the electronic mail address referred to below

has not been provided by Administrative Agent to such Person, that it will provide to Administrative Agent all information, documents and other materials that it is obligated to furnish to Administrative Agent or to the Lenders pursuant to the Loan Documents, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) is or relates to a Borrowing Notice, (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default or Event of Default under this Agreement or any other Loan Document or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any Loan hereunder (all such non-excluded communications being referred to herein collectively as "**Communications**"), by transmitting the Communications in an electronic/soft medium that is properly identified in a format acceptable to the Borrower and Administrative Agent to an electronic mail address as directed by Administrative Agent. In addition, each Loan Party agrees to continue to provide the Communications to Administrative Agent or the Lenders, as the case may be, in the manner specified in the Loan Documents but only to the extent requested by Administrative Agent.

(b) No Prejudice to Notice Rights. Nothing herein shall prejudice the right of Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

8.10 [Reserved].

SECTION 9.
MISCELLANEOUS

9.1 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to a Loan Party or Administrative Agent, shall be sent to such Person's address as set forth on Appendix B or in the other relevant Loan Document, and in the case of any Lender, the address as indicated on Appendix B or otherwise indicated to Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, sent by telefacsimile, electronic transmission or United States certified or registered mail or courier service and shall be deemed to have been given when delivered and signed for against receipt thereof, or upon confirmed receipt of telefacsimile or electronic transmission; provided, no notice to Administrative Agent shall be effective until received by Administrative Agent.

9.2 Expenses. Whether or not the transactions contemplated hereby shall be consummated or the documents related hereto shall be executed, each Loan Party agrees to pay promptly, and in any case no later than thirty (30) days after a payment or reimbursement request by the Administrative Agent, all actual, reasonable and documented, out-of-pocket costs and expenses incurred in connection with (a) preparation of the Loan Documents and all documents related to the foregoing and any consents, amendment, waiver or other modifications thereto; (b) all fees and disbursements of counsel to the Loan Parties in furnishing all opinions required hereunder; (c) all fees and disbursements of one firm of counsel to Administrative Agent, and one firm of local counsel for each relevant jurisdiction, in connection with the negotiation, preparation, execution, review and administration of the Loan Documents and all documents related to the

foregoing and any consents, amendments, waivers or other modifications thereto any other documents or matters requested by any Loan Party; (d) creating and perfecting Liens in favor of Administrative Agent, for the benefit of the Lenders pursuant hereto, including filing and recording fees, search fees, expenses and disbursements of counsel to Administrative Agent and the Lenders and of counsel providing any opinions that Administrative Agent or the Lenders may request in respect of the Collateral or the Liens created pursuant to the DIP Order or the Collateral Documents; and (e) fees and disbursements of any auditors, accountants, consultants, engineers or appraisers. In addition, each Loan Party agrees to pay the following, without limitation: (i) all actual, reasonable and documented, out-of-pocket costs and expenses (including the fees, expenses and disbursements of counsel and of any appraisers, consultants, engineers, advisors and agents employed or retained by Administrative Agent and its counsel) in connection with administration by Administrative Agent or the custody or preservation of any of the Collateral; (ii) all other actual, reasonable and documented, out-of-pocket costs and expenses incurred by Administrative Agent after the Closing Date in connection with (1) the review and administration of the Loan Documents and all documents related to the foregoing and the transactions contemplated thereby, including the preparation of valuation reports and other reports that the Administrative Agent may from time to time be required to deliver to its investors (provided that expenses incurred by the Administrative Agent in connection with the preparation of such valuation reports or other reports shall be reimbursed in an amount not to exceed $25,000 calculated on an annual basis), (2) any consents, amendments, waivers or other modifications to the Loan Documents and all documents related to the foregoing and the transactions contemplated thereby and (3) any other documents or matters requested by any Loan Party (including, in each case, the actual reasonable fees, expenses and disbursements of one firm of counsel to Administrative Agent, and one firm of counsel therefor for each relevant jurisdiction in connection with the negotiation, preparation, execution, review and administration of such documentation); (iii) after the occurrence and during the continuance of an Event of Default, all costs and expenses, including attorneys' fees and costs of settlement, incurred by Administrative Agent and the Lenders in enforcing any Obligations of or in collecting any payments due from any Loan Party hereunder or under the other Loan Documents by reason of such Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work out" or pursuant to any insolvency or bankruptcy cases or proceedings and (iv) all costs and fees and related expenses in connection with the formation and maintenance of any Person, structure or account necessary or reasonably desirable to Administrative Agent or the Lenders for tax planning purposes in connection with the Loans.

9.3 Indemnity.

(a) In addition to the payment of expenses pursuant to Section 9.2, whether or not any or all of the transactions contemplated hereby shall be consummated, each Loan Party agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless, Administrative Agent and each Lender, their Affiliates and its and their respective officers, members, shareholders, partners, directors, trustees, employees, advisors, representatives and agents and each of their respective successors and assigns and each Person who controls any of the foregoing (each, an "**Indemnitee**"), from and against any and all Indemnified Liabilities, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN**

PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE; provided, no Loan Party shall have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities if such Indemnified Liabilities arise (i) from the bad faith, gross negligence or willful misconduct of any Indemnitee as determined by a court of competent jurisdiction in a final, nonappealable order or (ii) in connection with a dispute between or among Indemnitees and not involving any act or omission of any Loan Party. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 9.3 may be unenforceable in whole or in part because they are violative of any law or public policy, the applicable Loan Party shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them. Notwithstanding the foregoing, this Section 9.3(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(b) To the extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, releases and agrees not to sue upon any claim against any Indemnitee or other party hereto, on any theory of liability, for special, indirect, exemplary, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement, any Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Note or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each Loan Party hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(c) Each Loan Party hereby acknowledges and agrees that an Indemnitee may now or in the future have certain rights to indemnification provided by other sources ("Other Sources"). Each Loan Party hereby agrees that (i) it is the indemnitor of first resort (i.e., its obligations to the Indemnitees are primary and any obligation of the Other Sources to provide indemnification for the same Indemnified Liabilities are secondary to any such obligation of the Loan Party), (ii) that it shall be liable for the full amount of all Indemnified Liabilities, without regard to any rights the Indemnitees may have against the Other Sources, and (iii) it irrevocably waives, relinquishes and releases the Other Sources and the Indemnitees from any and all claims (1) against the Other Sources for contribution, indemnification, subrogation or any other recovery of any kind in respect thereof and (2) that an Indemnitee must seek expense advancement or reimbursement, or indemnification, from the Other Sources before the Loan Party must perform its obligations hereunder. No advancement or payment by the Other Sources on behalf of an Indemnitee with respect to any claim for which such Indemnitee has sought indemnification from a Loan Party shall affect the foregoing. The Other Sources shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery which the Indemnitee would have had against a Loan Party if the Other Sources had not advanced or paid any amount to or on behalf of the Indemnitee.

9.4 Set Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuation

of any Event of Default each Lender and its/their respective Affiliates is hereby authorized by each Loan Party at any time or from time to time subject to the consent of Administrative Agent (such consent to be given or withheld at the written direction of the Requisite Lenders), without notice to any Loan Party or to any other Person (other than Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts (in whatever currency)) and any other Indebtedness at any time held or owing by such Lender to or for the credit or the account of any Loan Party (in whatever currency) against and on account of the obligations and liabilities of any Loan Party to such Lender hereunder, and under the other Loan Documents, including all claims of any nature or description arising out of or connected hereto or any other Loan Document, irrespective of whether or not such Lender shall have made any demand hereunder, the principal of or the interest on the Loans or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured or such obligation or liability is owed to a branch or office of such Lender different from the branch or office holding such deposit or obligation or such Indebtedness.

9.5 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest in any of its Loans or other Obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify Administrative Agent of such fact, and (b) purchase (for Cash at face value) participations in the Loans and other Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal and accrued interest on their respective Loans and other amounts owing them; provided that:

(c) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(d) the provisions of this paragraph shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement, or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or Obligations to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

9.6 Amendments and Waivers.

(a) Requisite Lenders' Consent. Subject to Sections 9.6(b) and 9.6(c), no amendment, modification, termination or waiver of any provision of the Loan Documents, or consent to any departure by any Loan Party therefrom, shall in any event be effective without the written concurrence of in the case of this Agreement, the Borrower, Administrative Agent and the Requisite Lenders or in the case of any other Loan Document, the Borrower and Administrative Agent with the consent of the Requisite Lenders.

(b) Affected Lenders' Consent. Without the written consent of each Lender that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled final maturity of any Note of such Lender;

(ii) waive, reduce or postpone any scheduled repayment due such Lender (but not prepayment);

(iii) reduce the rate of interest on any Note of such Lender and any waiver of any increase in the interest rate applicable to any Note pursuant to Section 2.6(c) or any fee or premium payable hereunder;

(iv) increase the Commitment of such Lender;

(v) extend the time for payment of any such interest or fees to such Lender;

(vi) reduce the principal amount of any Note;

(vii) release all or substantially all of the value of the Guaranty or release the Liens securing all or substantially all of the Collateral;

(viii) amend, modify, terminate or waive any provision of Section 2.9, Section 2.10, Section 2.12, Section 3, Section 9.5, or this Section 9.6(b); provided that, notwithstanding the foregoing, any amendments or modifications to provisions of this Agreement that set out the number or percentage of Lenders required to waive, amend or modify any rights under the Loan Agreement or grant any consent under the Loan Agreement shall require the consent of all Lenders;

(ix) amend the definition of "Requisite Lenders" or "Pro Rata Share";

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Loan Documents, or consent to any departure by any Loan Party therefrom, shall amend, modify, terminate or waive any provision of Section 8 as the same applies to Administrative Agent or any Indemnitee Agent Party, or any other provision hereof as the same applies to the rights or obligations of Administrative Agent, in each case without the consent of Administrative Agent.

(d) Execution of Amendments, etc. Administrative Agent may, but shall have no obligation to, with the concurrence of the applicable Lenders, execute amendments, modifications, waivers or consents on behalf of such Lenders. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Loan Party shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 9.6(d) shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by a Loan Party, on such Loan Party.

(e) Retirement of Loans. No Loan Party will, and Borrower will not permit any of its Subsidiaries or any of the Loan Parties to, directly or indirectly, offer to purchase or otherwise acquire any outstanding Loans.

(f) Amendment Consideration. None of Borrower or any of its Affiliates or any other party to any Loan Documents will, directly or indirectly, request or negotiate for, or offer or pay any remuneration or grant any security as an inducement for, any proposed amendment or waiver of any of the provisions of this Agreement or any of the other Loan Documents unless each Lender of the Loans (irrespective of the kind and amount of Loans then owned by it) shall be informed thereof by Borrower and, if such Lender is entitled to the benefit of any such provision proposed to be amended or waived, shall be afforded the opportunity of considering the same, shall be supplied by Borrower and any other party hereto with sufficient information to enable it to make an informed decision with respect thereto and shall be offered and paid such remuneration and granted such security on the same terms. For the avoidance of doubt, nothing in this Section 9.6(f) is intended to restrict or limit the amendment requirements otherwise set forth herein.

9.7 Successors and Assigns; Assignments.

(a) Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. None of Loan Party's rights or obligations hereunder nor any interest therein may be assigned or delegated by any such Person without the prior written consent of all Lenders (and any attempted assignment or transfer by any such Person without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of Administrative Agent and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments. Any Lender may assign to one or more Eligible Assignees all or any portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitments, and the Loans made by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of such Lender's rights and obligations assigned under this Agreement and shall be an equal percentage with respect to both its obligations owing in respect of the Commitments and the related Loans, (ii) each such assignment shall be to an Eligible Assignee, and (iii)each assignment shall be recorded in the Register pursuant to Section 9.28(a).

(c) Mechanics. The assigning Lender and the assignee thereof shall deliver to Administrative Agent (i) a duly executed Assignment Agreement, together with a $3,500 processing and recordation fee payable to Administrative Agent for its own account, (ii) all documentation and other information reasonably determined by the Administrative Agent to be required by applicable regulatory authorities required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, and (iii) such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to Administrative Agent pursuant to Sections 2.14(e)) and 2.14(f).

(d) Notice of Assignment. Upon its receipt and acceptance of a duly executed and completed Assignment Agreement, any "know your customer" information and any forms, certificates or other evidence required by this Agreement in connection therewith, Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to the Borrower and shall maintain a copy of such Assignment Agreement.

(e) Representations and Warranties of Assignee. Each Lender, upon execution and delivery hereof or upon executing and delivering an Assignment Agreement, as the case may be, represents and warrants as of the Closing Date or as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that it has experience and expertise in the making of or investing in loans such as the applicable Loans; and it will make or invest in, as the case may be, its Loans for its own account in the ordinary course of its business and without a view to distribution of such Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 9.7(e), the disposition of Loans or any interests therein shall at all times remain within its exclusive control).

(f) Effect of Assignment. Subject to the terms and conditions of this Section 9.7(f), as of the "Effective Date" specified in the applicable Assignment Agreement, which, for the avoidance of doubt, shall be the date of recordation in the Register: the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a "Lender" for all purposes hereof; the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under Section 9.8) and be released from its obligations hereunder (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, anything contained in any of the Loan Documents to the contrary notwithstanding such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); and if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Note to Administrative Agent for cancellation, and thereupon the Borrower shall issue and deliver a new Note, if so requested by the assignee and/or assigning

Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the outstanding principal balance under the Loans of the assignee and/or the assigning Lender.

(g) Participations. Each Lender shall have the right at any time to sell one or more participations to any Person (other than a natural Person, any Loan Party or any of their respective Affiliates) (each, a "Participant") in all or any part of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Loans or any other Obligation); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, Administrative Agent, and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 9.6 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13 and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(e) and Section 2.14(f)) (it being understood that the documentation required under Section 2.14(e) and Section 2.14(f) shall be delivered by the Participant to the applicable Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) of this Section 9.7; provided that such Participant shall not be entitled to receive any greater payment under Section 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless such greater payment results from a change in Law that occurs after the Participant acquired the applicable participation, or is made with the Borrower's prior written consent. To the extent permitted by law, each Participant shall be entitled to the benefits of Section 9.4 as though it were a Lender; provided that such Participant agrees to be subject to Section 9.5 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other Obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or a portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(h) Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

9.8 Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Loan. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Loan Party set forth in Sections 2.14, 9.2, 9.3, and 9.4 and the agreements of Lenders set forth in Sections 2.12, 8.3(b) and 8.6 shall survive the payment of the Loans, and the termination hereof.

9.9 No Waiver; Remedies Cumulative. No failure or delay on the part of Administrative Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to Administrative Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Loan Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

9.10 Marshaling; Payments Set Aside. Neither Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Loan Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Loan Party makes a payment or payments to Administrative Agent or Lenders (or to Administrative Agent, on behalf of Lenders), or Administrative Agent or Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

9.11 Severability. In case any provision in or obligation hereunder or any Note or other Loan Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

9.12 Obligations Several; Independent Nature of Lenders' Rights. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Loan

Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

9.13 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

9.14 APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9.15 CONSENT TO JURISDICTION. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY LOAN PARTY ARISING OUT OF OR RELATING HERETO OR ANY OTHER LOAN DOCUMENT, OR ANY OF THE OBLIGATIONS, SHALL BE BROUGHT IN STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH LOAN PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE LOAN PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 9.1 IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE LOAN PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND AGREES THAT ADMINISTRATIVE AGENT AND THE LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY LOAN PARTY IN THE COURTS OF ANY OTHER JURISDICTION.

9.16 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT OR THE ADMINISTRATIVE AGENT/LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY

CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 9.16 AND EXECUTED BY EACH OF THE PARTIES HERETO THAT IS PARTY TO SUCH JUDICIAL PROCEEDING), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

9.17 Confidentiality. If the Borrower reasonably believes that any information being furnished by it or any other Loan Party to Administrative Agent or a Lender (each, a "**Recipient**" and collectively, the "**Recipients**") is confidential, the Borrower may so indicate by notice in writing to the Recipient, identifying the information with specificity (such identified information, the "**Confidential Information**"), and the parties hereto acknowledge that all information relating to the Loan Parties and their Subsidiaries and their businesses (other than information described in clauses (x) and (y) below) provided by the Loan Parties to the Administrative Agent and the Lenders on or prior to the date hereof constitutes Confidential Information. The Recipient will maintain the confidentiality of all of the Confidential Information; provided, however, that a Recipient may disclose such information to its Affiliates, partners, potential partners and members and its and their respective directors, managers, officers, employees, attorneys, accountants, auditors, advisors, consultants, agents or representatives with a need to know such Confidential Information and who have been advised of agreed to be bound by the provisions of this Section 9.17 (collectively "**Permitted Recipients**"), to any potential assignee or transferee of any of its rights or obligations hereunder (including without limitation, in connection with a sale of any or all of the Loans) or any of their agents and advisors (provided that such potential assignee or transferee shall have been advised of and agree to be bound by the provisions of this Section 9.17), if such information (x) becomes publicly available other than as a result of a breach of this Section 9.17, (y) becomes available to a Recipient or any of its Permitted Recipients on a non-confidential basis from a source other than the Loan Parties or (z) is independently developed by the Recipient or any of its Permitted Recipients, to enable it to enforce or otherwise exercise any of its rights and remedies under any Loan Document or as consented to in writing by the Borrower. Notwithstanding anything to the contrary set forth in this Section 9.17 or otherwise, nothing herein shall prevent a Recipient or its Permitted Recipients from complying with any legal requirements (including, without limitation, pursuant to any rule, regulation, stock exchange requirement, self-regulatory body, supervisory authority, other applicable judicial or governmental order, legal process, fiduciary or similar duties or otherwise) to disclose any Confidential Information; provided, however, that in each case, the Recipient or its Permitted Recipients furnish

only that portion of such information which it is advised by such Recipient or its Permitted Recipient's counsel is required to be disclosed. In addition, the Recipient and its Permitted Recipients may disclose Confidential Information if so requested by a governmental, self-regulatory or supervisory authority. Each Loan Party hereby acknowledges and agrees that, subject to the restrictions on disclosure of Confidential Information as provided in this Section 9.17, the Recipient and their respective Affiliates are in the business of making investments in and otherwise engaging in businesses which may or may not be in competition with the Loan Parties or otherwise related to their and their Affiliates' respective business and that nothing herein shall, or shall be construed to, limit the Lenders' or their Affiliates' ability to make such investments or engage in such businesses.

9.18 Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and the Borrower to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to the Borrower. In determining whether the interest contracted for, charged, or received by Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

9.19 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

9.20 PATRIOT Act. Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information

that will allow such Lender or Administrative Agent, as applicable, to identify such Loan Party in accordance with the PATRIOT Act.

9.21 Disclosure. Each Loan Party and each Lender hereby acknowledge and agree that Administrative Agent and/or its Affiliates and their respective Related Funds from time to time may hold investments in, and make loans to, or have other relationships with any of the Loan Parties and their respective Affiliates, including the ownership, purchase and sale of Capital Stock in any Loan Party and their respective Affiliates and each Lender hereby expressly consents to such relationships.

9.22 Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of Administrative Agent and the Lenders, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than Administrative Agent) obtain possession of any such Collateral, such Lender shall notify Administrative Agent thereof, and, promptly upon Administrative Agent's request therefor (acting at the written direction of the Requisite Lenders) shall deliver such Collateral to Administrative Agent or otherwise deal with such Collateral in accordance with Administrative Agent's instructions.

9.23 Advertising and Publicity. No Loan Party shall issue or disseminate to the public (by advertisement, including without limitation any "tombstone" advertisement, press release or otherwise), submit for publication or otherwise cause or seek to publish any information describing the credit or other financial accommodations made available by Lenders pursuant to this Agreement and the other Loan Documents without the prior written consent of Administrative Agent and the Requisite Lenders. Nothing in the foregoing shall be construed to prohibit any Loan Party from making any submission or filing which it is required to make by applicable law (including securities laws, rules and regulations), stock exchange rules or pursuant to judicial process; provided, that, (a) such filing or submission shall contain only such information as is necessary to comply with applicable law, rule or judicial process and (b) unless specifically prohibited by applicable law, rule or court order, the Borrower shall promptly notify Administrative Agent of the requirement to make such submission or filing and provide Administrative Agent with a copy thereof.

9.24 Acknowledgments and Admissions. The Borrower hereby represents, warrants and acknowledges and admits that:

(a) it has been advised by counsel in the negotiation, execution and delivery of the Loan Documents;

(b) it has made an independent decision to enter into this Agreement and the other Loan Documents to which it is a party, without reliance on any representation, warranty, covenant or undertaking by Administrative Agent or any Lender, whether written, oral or implicit, other than as expressly set out in this Agreement or in another Loan Document delivered on or after the date hereof;

(c) there are no representations, warranties, covenants, undertakings or agreements by Administrative Agent or any Lender as to the Loan Documents except as expressly set out in this Agreement;

(d) none of Administrative Agent or any Lender has any fiduciary obligation toward it with respect to any Loan Document or the transactions contemplated thereby;

(e) no partnership or joint venture exists with respect to the Loan Documents between any Loan Party, on the one hand, and Administrative Agent or any Lender, on the other;

(f) Administrative Agent is not any Loan Party's agent;

(g) Vinson & Elkins L.L.P. is not counsel for any Loan Party;

(h) should an Event of Default occur or exist, each of Administrative Agent and each Lender will determine in its discretion and for its own reasons what remedies and actions it will or will not exercise or take at that time;

(i) without limiting any of the foregoing, no Loan Party is relying upon any representation or covenant by any of Administrative Agent or any Lender, or any representative thereof, and no such representation or covenant has been made, that any of Administrative Agent or any Lender will, at the time of an Event of Default or Default, or at any other time, waive, negotiate, discuss, or take or refrain from taking any action permitted under the Loan Documents with respect to any such Event of Default or Default or any other provision of the Loan Documents; and

(j) Administrative Agent and the Lenders have all relied upon the truthfulness of the acknowledgments in this Section 9.24 in deciding to execute and deliver this Agreement and to become obligated hereunder.

9.25 Third Party Beneficiary. Except as stated in Section 8.7(c) and in this Section, there are no third party beneficiaries of this Agreement.

9.26 Entire Agreement. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

9.27 Transferability of Securities; Restrictive Legend. Each note, certificate or other instrument evidencing the Loans issued by Borrower shall be stamped or otherwise imprinted with a legend in substantially the following forms:

> "THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN

THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION."

Notwithstanding the foregoing, the restrictive legend set forth above shall not be required after the date on which the securities evidenced by such note, certificate or other instrument bearing such restrictive legend no longer constitute "restricted securities" (as defined in Rule 144 promulgated under the Securities Act), and upon the request of the Lender of such Loans, Borrower, without expense to such Lender, shall issue a new note, certificate or other instrument as applicable not bearing the restrictive legend otherwise required to be borne thereby.

9.28 Registration, Transfer, Exchange, Substitution of Loans.

(a) Registration of Loans. The name and address of each Lender, each transfer thereof and the name and address of each transferee of one or more Loans shall be registered in the Register. Prior to due presentment for registration of transfer, the Person in whose name any Note is registered shall be deemed and treated as the owner and Lender thereof for all purposes hereof, and Borrower shall not be affected by any notice or knowledge to the contrary. Administrative Agent shall give to any Lender and the Borrower, promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Lenders of Loans.

(b) Transfer and Exchange of Loans. Upon surrender of any Note at Administrative Agent's Office for registration of transfer or exchange (and in the case of a surrender for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered Lender or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), and an Assignment Agreement, Borrower shall execute and deliver, at Borrower's expense, one or more new Notes (as requested by the Lender thereof) of the same series in exchange therefor and, in the case of any Note, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Any purported transfer of a Note or an interest therein that is prohibited hereby shall be null and void ab initio and of no force or effect whatever. In the case of a transfer of Loans, each such new Note shall be payable to such Person as such Lender may request. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. Loans shall not be transferred in denominations of less than $100,000, provided, that if necessary to enable the registration of transfer by a Lender of its entire holding of Loans, one Note may be in a denomination of less than $100,000; provided, further, that transfers by a Lender and its Affiliates shall be aggregated for purposes of determining whether or not such $100,000 threshold has been reached.

(c) Replacement of Notes. Upon receipt by Borrower of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note, and (i) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the Lender of such Note is, or is a nominee for, another Lender with a minimum net worth of at least $5,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or (ii) in the case of mutilation, upon surrender and cancellation thereof, Borrower at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and, in the case of

a Note, bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

9.29 Debtor-In-Possession Agreement. This Agreement represents the DIP Financing Agreement contemplated by the DIP Order entered by the Bankruptcy Court in connection with Bankruptcy Case and reference is hereby made to the various rights and remedies provided to the Administrative Agent and the Lenders under the DIP Order, all of which are incorporated herein by reference. For the avoidance of doubt, all Obligations are secured by all of the Property of the Loan Parties pursuant to Sections 364(c) and (d) of the Bankruptcy Code on a superpriority priming basis pursuant to the DIP Order. Notwithstanding anything herein to the contrary, in the event of any conflict between this Agreement and the DIP Order, the DIP Order shall govern.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

WEATHERLY OIL & GAS, LLC

By: _____
Name: Dan Johnson
Title: Chief Executive Officer

ANGELO, GORDON ENERGY SERVICER, LLC, as Administrative Agent

By: _____
Name: Todd Dittmann
Title: Authorized Person

LENDERS:

AG ENERGY FUNDING, LLC
in respect of Series 6, 10 and 11, as Lender

By: _____
Name: Todd Dittmann
Title: Authorized person

AB ENERGY OPPORTUNITY FUND, L.P., as Lender

By: _____
Name: Daniel Posner
Title: Co-Chief Investment Officer

APPENDIX A

Commitments

Lender	Commitment	Pro Rata Share
AG Energy Funding, LLC	$500,000.00	50.00%
AB Energy Opportunity Fund, L.P.	$500,000.00	50.00%
Total	**$1,000,000.00**	**100.00%**

APPENDIX B

NOTICE ADDRESSES

LENDERS:

AG Energy Funding, LLC
245 Park Ave, 26th Floor
New York, NY 10167
Attn: Scott McMurtry
Email: smcmurtry@angelogordon.com

AB Energy Opportunity Fund, L.P.
c/o AllianceBernstein
1345 Ave of the Americas
38th Floor
New York, NY 10105

BORROWER:

Weatherly Oil & Gas, LLC
777 Taylor St., Suite 902
Fort Worth, TX 76102
Attention: Scott Pinsonnault
Email: Scott.Pinsonnault@ankura.com

with copies to:

Jackson Walker LLP
1401 McKinney Street, Suite 1900
Houston, TX 77010
Attention: Matthew Cavenaugh
E-mail: mcavenaugh@jw.com

ADMINISTRATIVE AGENT'S OFFICE:

Angelo, Gordon Energy Servicer, LLC, as Administrative Agent
c/o Cortland Capital Market Services LLC
225 W. Washington St. 21st Floor
Chicago, Illinois 60606
Attn: Agency Services – Angelo, Gordon and Legal Department

Exhibit 2

Initial Budget

Weatherly Oil & Gas, LLC
DIP Budget
3/6/2019
(Units in $ unless noted)

Weekly Cash Flow Forecast Week Ending	Petition Date 1 8-Mar	2 15-Mar	3 22-Mar	4 29-Mar	5 5-Apr	6 12-Apr	Group 1 Asset Sale Close Date 7 19-Apr	8 26-Apr	9 3-May	10 10-May	11 17-May	12 24-May	Group 2 Asset Sale Close Date 13 31-May	Total Period
Operating Cash Flows														
Operating Cash Receipts														
Receipts - Operated	$ -	$ -	$ 141,051	$ 1,221,907	$ 708,389	$ -	$ -	$ 1,153,953	$ 463,608	$ -	$ -	$ 143,082	$ 536,447	$ 4,368,437
Receipts - Non-operated	95,000	-	-	-	-	90,000	-	-	-	85,000	-	-	-	270,000
Weekly Operating Receipts	$ 95,000	$ -	$ 141,051	$ 1,221,907	$ 708,389	$ 90,000	$ -	$ 1,153,953	$ 463,608	$ 85,000	$ -	$ 143,082	$ 536,447	$ 4,638,437
Operating Cash Disbursements														
LOE Essential Disbursements	-	-	-	-	(518,094)	-	-	-	(574,555)	-	-	-	(524,530)	(1,617,179)
LOE Non-Essential Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JIB Obligations	-	(145,750)	-	-	-	-	(360,362)	-	(100,822)	-	-	-	(115,436)	(722,370)
Severance Tax	-	-	(148,019)	-	-	-	(149,797)	-	-	-	-	(137,662)	-	(435,478)
Royalties Payable	-	-	-	-	(1,047,127)	-	-	-	(756,439)	-	-	-	(517,837)	(2,321,402)
Gathering	-	-	-	-	(342,303)	-	-	-	(182,303)	-	-	-	(182,303)	(706,908)
Ad Valorem Tax	-	-	-	-	-	-	-	-	(312,801)	-	-	-	-	(312,801)
Selling, General and Administrative	-	(75,000)	-	-	(75,000)	-	-	-	(75,000)	-	-	-	(75,000)	(300,000)
Ordinary Course Professionals	-	-	-	-	(105,000)	-	-	-	(107,200)	-	-	-	(77,500)	(289,700)
Management Fee	-	-	-	-	(511,859)	-	-	-	(511,859)	-	-	-	(511,859)	(1,535,577)
Insurance Premium	-	-	-	-	(31,007)	-	-	-	(31,007)	-	-	-	(31,007)	(93,022)
Weekly Operating Disbursements	$ -	$ (220,750)	$ (148,019)	$ -	$ (2,630,389)	$ -	$ (510,159)	$ -	$ (2,651,986)	$ -	$ -	$ (137,662)	$ (2,035,472)	$ (8,334,437)
Weekly Operating Net Cash Flows	$ 95,000	$ (220,750)	$ (6,968)	$ 1,221,907	$ (1,922,001)	$ 90,000	$ (510,159)	$ 1,153,953	$ (2,188,378)	$ 85,000	$ -	$ 5,421	$ (1,499,025)	$ (3,695,999)
Capital Expenditure														
Capital Expenditure Cash Flows														
CapEx	(10,000)	(22,000)	(12,700)	(47,400)	(18,000)	(15,000)	-	-	-	-	-	-	-	(125,100)
Workovers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Weekly Capital Expenditure Disbursements	$ (10,000)	$ (22,000)	$ (12,700)	$ (47,400)	$ (18,000)	$ (15,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (125,100)
Other & Restructuring Cash Flows														
Other & Restructuring Cash Flows														
DIP Interest	$ -	$ -	$ -	$ -	$ (9,518)	$ -	$ (14,045)	$ -	$ -	$ -	$ -	$ -	$ -	$ (23,562)
Asset Sale Proceeds to Fund TenOaks Success Fee	-	-	-	-	-	-	350,000	-	-	-	-	-	469,000	819,000
Asset Sale Proceeds to Fund Chapter 11 Cases	-	-	-	-	-	-	5,975,559	-	-	-	-	-	-	5,975,559
Asset Sale Proceeds to Fund Outstanding JIB Balances	-	-	-	-	-	-	1,814,909	-	-	-	-	-	-	1,814,909
Asset Sale Proceeds to Fund Repayment of DIP Facility (incl. Fees & Expenses)	-	-	-	-	-	-	2,173,352	-	-	-	-	-	-	2,173,352
Asset Sale Proceeds to Fund Plan Wind Down	-	-	-	-	-	-	-	-	-	-	-	-	-	-
503 B9 Claims	(45,000)	-	-	-	-	-	-	-	-	-	-	-	-	(45,000)
Mineral Lien Claimant Catch-up	(419,285)	-	-	-	-	-	(675,559)	-	-	-	-	-	-	(1,094,843)
JIB Outstanding Balance Payment	-	-	-	-	-	-	(1,814,909)	-	-	-	-	-	-	(1,814,909)
Adequate Assurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Weekly Other & Restructuring Cash Flows	$ (464,285)	$ -	$ -	$ -	$ (9,518)	$ -	$ 7,809,307	$ -	$ -	$ -	$ -	$ -	$ 469,000	$ 7,804,505
Professional Fees														
Debtor Professional Fees	-	-	-	(562,500)	(92,000)	-	(350,000)	-	(623,500)	-	-	-	(991,200)	(2,619,200)
Lender Professional Fees	-	-	-	(60,000)	-	-	(1,173,352)	-	(60,000)	-	-	-	(60,000)	(1,353,352)
Weekly Professional Fees Cash Flows	$ -	$ -	$ -	$ (622,500)	$ (92,000)	$ -	$ (1,523,352)	$ -	$ (683,500)	$ -	$ -	$ -	$ (1,051,200)	$ (3,972,552)
Total Cash Flows	$ (379,285)	$ (242,750)	$ (19,668)	$ 552,007	$ (2,041,518)	$ 75,000	$ 5,775,796	$ 1,153,953	$ (2,871,878)	$ 85,000	$ -	$ 5,421	$ (2,081,225)	$ 10,854
Cash Balance & Liquidity														
Starting Cash Balance	$ 1,389,920	$ 1,965,635	$ 1,722,885	$ 1,703,217	$ 2,255,224	$ 213,706	$ 288,706	$ 5,064,503	$ 6,218,456	$ 3,346,577	$ 3,431,577	$ 3,431,577	$ 3,436,998	$ 1,389,920
(+/-) Total Cash Flows	(379,285)	(242,750)	(19,668)	552,007	(2,041,518)	75,000	5,775,796	1,153,953	(2,871,878)	85,000	-	5,421	(2,081,225)	10,854
(+/-) DIP Financing / (Repayment)	1,000,000	-	-	-	-	-	(1,000,000)	-	-	-	-	-	-	-
(-) DIP Facility Funding Fee	(20,000)	-	-	-	-	-	-	-	-	-	-	-	-	(20,000)
(-) DIP Facility Administrative Agent Fee	(25,000)	-	-	-	-	-	-	-	-	-	-	-	-	(25,000)
Ending Cash Balance	$ 1,965,635	$ 1,722,885	$ 1,703,217	$ 2,255,224	$ 213,706	$ 288,706	$ 5,064,503	$ 6,218,456	$ 3,346,577	$ 3,431,577	$ 3,431,577	$ 3,436,998	$ 1,355,774	$ 1,355,774
Max Funding Gap														
Restricted Cash														
Started Restricted Cash Balance[1]	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645
(+) Cash Inflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Cash Outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Restricted Cash Balance	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645	$ 3,444,645
Proceeds from Asset Sales														
Proceeds from Asset Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,100,000	$ -	$ -	$ -	$ -	$ -	$ 36,500,000	$ 54,600,000
(-) TenOaks Success Fee	-	-	-	-	-	-	(350,000)	-	-	-	-	-	(469,000)	(819,000)
(-) Working Interest Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Funding of Chapter 11 Cases	-	-	-	-	-	-	(5,975,559)	-	-	-	-	-	-	(5,975,559)
(-) Outstanding JIB Balances	-	-	-	-	-	-	(1,814,909)	-	-	-	-	-	-	(1,814,909)
(-) Repayment of DIP Facility (incl. Fees & Expenses)	-	-	-	-	-	-	(2,173,352)	-	-	-	-	-	-	(2,173,352)
(-) Plan Wind Down	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds for Plan Distribution	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,786,180	$ -	$ -	$ -	$ -	$ -	$ 36,031,000	$ 43,817,180

Notes:
1) Restricted cash opening balance consists of the following:

Restricted Account – Revenue Suspense	$ 1,000,000
CD -Secures L/C - SWEPCO	43,193
CD -Secures L/C - Williams	401,452
CD - P5 Texas Railroad Commission	2,000,000
Total Restricted Cash	**$ 3,444,645**

Exhibit 3

Transaction Support Agreement

THIS TRANSACTION SUPPORT AGREEMENT IS NOT AN OFFER OR ACCEPTANCE WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS TRANSACTION SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED IN THIS AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES TO THIS AGREEMENT.

TRANSACTION SUPPORT AGREEMENT

This TRANSACTION SUPPORT AGREEMENT (including all exhibits, annexes, and schedules attached to this agreement in accordance with Section 16.02, this "**Agreement**")[1] is made and entered into as of February 28, 2019 (the "**Execution Date**"), by and among the following parties (each of the following described in sub-clauses (i) through (vi) of this preamble, collectively, the "**Parties**"):

i. Weatherly Oil & Gas LLC ("**Weatherly**" or "**Company**");

ii. the undersigned holders of, or investment advisors, sub-advisors, or managers of discretionary accounts that hold, Loan Claims, each of which has executed and delivered counterpart signature pages to this Agreement, a Joinder, or a Transfer Agreement to counsel to the Company (the Entities in this clause (ii), collectively, the "**Consenting Lenders**");

iii. the Administrative Agent;

iv. Cargill, as party to the ISDA Master Agreement;

v. the undersigned investment funds and affiliates of Weatherly East Texas, LLC ("**WET**") and Weatherly Energy Capital LLC ("**WEC**") that hold, or are investment advisors, sub-advisors, or managers of discretionary accounts that hold, Equity Interests and that have executed and delivered counterpart signature pages to this Agreement, a Joinder, or a Transfer Agreement to counsel to the Company (the Entities in this clause (v), each, a "**Sponsor**" and, together with the other entities in clauses (ii), (iii), and (iv), the "**Consenting Stakeholders**"); and

vi. Weatherly Operating, LLC ("**WOP**").

RECITALS

WHEREAS, the Company and the Consenting Stakeholders have in good faith and at arm's length negotiated or been apprised of certain restructuring and recapitalization transactions with respect to the Company's capital structure on the terms set forth in this Agreement and as specified in the term sheet setting forth the terms attached as **Exhibit A** to this Agreement (the

[1] Capitalized terms used but not defined in the Agreement have the meanings ascribed to them in Section 1.

"**Term Sheet**," and, the transactions described in the Term Sheet, the "**Restructuring Transactions**");

WHEREAS, the Parties have agreed to take certain actions in support of the Restructuring Transactions on the terms and conditions set forth in this Agreement and the Term Sheet.

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, each Party, intending to be legally bound by this Agreement, agrees as follows:

AGREEMENT

Section 1. ***Definitions and Interpretation.***

1.01. Definitions. The following terms shall have the following definitions:

"**Administrative Agent**" means the Administrative Agent under the Credit Agreement.

"**Agreement**" has the meaning set forth in the preamble to this Agreement and, for the avoidance of doubt, includes all the exhibits, annexes, and schedules attached to this Agreement in accordance with Section 16.02 (including the Term Sheet).

"**Agreement Effective Date**" means the date on which the conditions set forth in Section 2 have been satisfied or waived by the appropriate Party or Parties in accordance with this Agreement.

"**Agreement Effective Period**" means, with respect to a Party, the period from the Agreement Effective Date to the Termination Date applicable to that Party.

"**Alternative Restructuring Proposal**" means any inquiry, proposal, offer, bid, term sheet, discussion, or agreement with respect to a sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, liquidation, tender offer, recapitalization, plan of reorganization, share exchange, business combination, or similar transaction involving the Company or the debt, equity, or other interests in the Company that is an alternative to one or more of the Restructuring Transactions.

"**Asset Sale Funding**" has the meaning ascribed to such term in the Term Sheet.

"**Asset Sales**" means the Group 1 Asset Sales and the Group 2 Asset Sales.

"**Bankruptcy Code**" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

"**Bankruptcy Court**" means the United States Bankruptcy Court for the Southern District of Texas.

"**Business Day**" means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

"**Cargill**" means Cargill, Incorporated.

"**Causes of Action**" means any action, Claim, cause of action, controversy, demand, right, action, lien, indemnity, Equity Interest, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or noncontingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in contract or in tort, in law or in equity, or pursuant to any other theory of law.

"**Chapter 11 Case**" means the case under chapter 11 of the Bankruptcy Code to be commenced by the Company in the Bankruptcy Court on the Petition Date.

"**Chosen Court**" means, (a) before the Company commences Chapter 11 Case, federal or state courts located in the City of New York, Borough of Manhattan and (b), after commencement of such proceeding, the Bankruptcy Court.

"**Claim**" has the meaning ascribed to it in section 101(5) of the Bankruptcy Code.

"**Company Claims/Interests**" means any Claim against, or Equity Interest in, the Company, including the Loan Claims.

"**Company**" has the meaning set forth in the recitals to this Agreement.

"**Confirmation Order**" means the confirmation order with respect to the Plan.

"**Consenting Lenders**" has the meaning set forth in the preamble to this Agreement.

"**Consenting Stakeholders**" has the meaning set forth in the preamble to this Agreement.

"**Credit Agreement**" means that certain Term Loan Agreement dated September 18, 2017 by and between Weatherly, as borrower, and AG Energy Funding, LLC, AB Energy Opportunity Fund, L.P., and AB EOF Weatherly Co-Invest Fund, L.P., as lenders, and Angelo, Gordon Energy Servicer, LLC, as administrative agent, as may be amended, supplemented, or otherwise modified from time to time.

"**CRO**" means the individual employed by Ankura Consulting Group, LLC in that individual's capacity as Chief Restructuring Officer of Weatherly.

"**Definitive Documents**" means the documents set forth in Section 3.01.

"**DIP Financing Agreement**" means that certain Senior Secured Debtor-In-Possession Term Loan Agreement dated as of February 28, 2019, between Weatherly and AG Energy

Funding, LLC, as a Lender, AB Energy Opportunity Fund, L.P., as a Lender, and Angelo, Gordon Energy Servicer, LLC, as administrative agent and collateral agent.

"**Disclosure Statement**" means the related disclosure statement with respect to the Plan.

"**Disclosure Statement Order**" means the order of the Bankruptcy Court approving the Disclosure Statement and the other Solicitation Materials.

"**Eligible Employees**" has the meaning ascribed to such term in the Term Sheet.

"**Entity**" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

"**Equity Interests**" means, collectively, the shares (or any class thereof), common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of the Company, and options, warrants, rights, or other securities or agreements to acquire or subscribe for, or which are convertible into the shares (or any class thereof) of, common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of the Company (in each case whether or not arising under or in connection with any employment agreement).

"**Execution Date**" has the meaning set forth in the preamble to this Agreement.

"**Existing Equity Holders**" means WET and WEC as holders of all equity interests in Weatherly.

"**Final Distribution**" has the meaning ascribed to such term in the Term Sheet.

"**Final Financing Order**" means any final order entered in the Chapter 11 Case approving a Financing Motion.

"**Financing Motion**" means any motion filed by the Company in the Chapter 11 Case seeking entry of an Interim Financing Order and a Final Financing Order authorizing the company to (i) enter into obligations contemplated by the DIP Financing Agreement and (ii) use cash collateral during the Chapter 11 Case.

"**First Day Pleadings**" means the first day pleadings that the Company determines are necessary or desirable to file.

"**Group 1 Assets**" means the "Non-Core" and "Sligo Non-Op" assets.

"**Group 1 Asset Sales**" means the sale (or sales) of the Group 1 Assets.

"**Group 1 Sale Motion**" means any motion filed in the Chapter 11 Case seeking approval of the Group 1 Asset Sales.

"**Group 1 Sale Order**" means any order entered in the Chapter 11 Case approving the Group 1 Asset Sales.

"**Group 1 Sale Proceeds**" has the meaning ascribed to such term in the Term Sheet.

"**Group 2 Assets**" means each of the "Overton," "Sligo Op," "Shelby," and "Robertson & Leon" assets, and any other asset for which a purchase sale agreement is entered into.

"**Group 2 Asset Sales**" means the sale (or sales) of the Group 2 Assets.

"**Group 2 Sale Motion**" means any motion filed in the Chapter 11 Case seeking approval of the Group 2 Asset Sales or the procedures for the Group 2 Asset Sales.

"**Group 2 Sale Order**" means any order entered in the Chapter 11 Case approving the Group 2 Asset Sales.

"**Group 2 Sale Proceeds**" has the meaning ascribed to such term in the Term Sheet.

"**Ineligible Employees**" has the meaning ascribed to such term in the Term Sheet.

"**Interim Financing Order**" means any interim order entered in the Chapter 11 Case approving a Financing Motion.

"**ISDA Master Agreement**" means that certain ISDA Master Agreement dated July 15, 2014, between Weatherly and Cargill.

"**JIBs**" has the meaning ascribed to such term in the Term Sheet.

"**Joinder**" means a joinder to this Agreement substantially in the form attached to this Agreement as **Exhibit C**.

"**Law**" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court).

"**Lenders**" means, collectively, AG Energy Funding, LLC, AB Energy Opportunity Fund, L.P., and AB EOF Weatherly Co-Invest Fund, L.P.

"**Lender Support Parties**" means, collectively, the Lenders and the Administrative Agent.

"**Loan Claim**" means any Claim on account of the Loans and/or any guarantee of the Loans pursuant to the Credit Agreement.

"**Loans**" means the Senior Secured Term Loan as defined in the Credit Agreement.

"**Maximum Bonus**" has the meaning ascribed to such term in the Term Sheet.

"**Milestones**" means the milestones set forth in Section 4.

"**Mineral Payments Motion**" has the meaning ascribed to such term in in the Term Sheet.

"**MSA**" means that certain Management Services Agreement, dated as of August 31, 2017, between Weatherly and WOP.

"**New MSA**" has the meaning ascribed to such term in the Term Sheet.

"**Outside Date**" means 120 calendar days after the Petition Date.

"**Parties**" has the meaning set forth in the preamble to this Agreement.

"**Payout Date**" has the meaning ascribed to such term in the Term Sheet.

"**Permitted Transferee**" means each transferee of any Company Claims/Interests who meets the requirements of Section 10.01.

"**Petition Date**" means February 28, 2019.

"**Plan**" means the chapter 11 plan to be filed and prosecuted by the Company in the Chapter 11 Case, which chapter 11 plan shall be in form and substance with this Agreement and the Term Sheet, including, without limitation, with respect to the releases set forth on the Term Sheet.

"**Plan Effective Date**" means the date upon which all conditions to the effectiveness of the Plan have been satisfied or waived in accordance with the terms thereof and the Plan becomes effective.

"**Plan Supplement**" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that will be filed by the Company with the Bankruptcy Court.

"**PSA**" has the meaning ascribed to such term in the Term Sheet.

"Qualified Marketmaker" means an entity other than a Consenting Lender (or an affiliate of a Consenting Lender) that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Subject Claims/Interests (or enter with customers into long and short positions in Subject Claims/Interests), in its capacity as a dealer or market maker in Subject Claims/Interests and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

"**Released Party**" means each of the Company, WOP, Sponsor, and Consenting Lenders, their affiliates, and the Company's, WOP's, Sponsor's, and Consenting Lenders' and their affiliates' respective current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, partners, limited partners, general partners, principals, members, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case, in their respective capacities as such.

"**Releasing Party**" means each Released Party.

"**Required Consenting Lenders**" means, as of the relevant date, Consenting Lenders holding at least 50.01% of the aggregate outstanding principal amount of the Loan Claims that are held by Consenting Lenders.

"**Required Consenting Stakeholders**" means each of the Required Consenting Lenders, Cargill, the Administrative Agent, and WET.

"**Residual Pool**" has the meaning ascribed to such term in the Term Sheet.

"**Restructuring Transactions**" has the meaning set forth in the recitals to this Agreement.

"**Rules**" means Rule 501(a)(1), (2), (3), and (7) of Regulation D under the Securities Act.

"**Secured Parties**" means, collectively, Cargill and the Lenders.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Solicitation Materials**" means all solicitation materials in respect of the Plan.

"**Sponsor**" has the meaning set forth in the Preamble to this Agreement.

"Subject Claims/Interests" has the meaning set forth in Section 10.

"**TenOaks**" means TenOaks Energy Partners, LLC.

"**TenOaks Retention Application**" means a retention application filed in the Chapter 11 Case seeking to retain TenOaks as sales agent.

"**Termination Date**" means the date on which termination of this Agreement as to a Party is effective in accordance with Sections 14.01, 14.02, 14.03, 14.04, or 14.05.

"**Term Sheet**" has the meaning set forth in the recitals to this Agreement.

"**Trade Creditor Obligations**" has the meaning ascribed to such term in the Term Sheet.

"**Transfer**" means to sell, resell, reallocate, use, pledge, assign, transfer, hypothecate, participate, donate, or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales, or other transactions).

"**Transfer Agreement**" means an executed form of the transfer agreement providing, among other things, that a transferee is bound by the terms of this Agreement and substantially in the form attached to this Agreement as **Exhibit B**.

"**Weatherly**" has the meaning set forth in the Preamble to this Agreement.

"**WEC**" has the meaning set forth in the preamble to this Agreement.

"**WET**" has the meaning set forth in the preamble to this Agreement.

"**Wind Down**" has the meaning ascribed to such term in the Term Sheet.

"**Wind Down Funding**" has the meaning ascribed to such term in the Term Sheet.

"**WOP**" has the meaning set forth in the preamble to this Agreement.

1.02. Interpretation. For purposes of this Agreement:

(a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender;

(b) capitalized terms defined only in the plural or singular form shall nonetheless have their defined meanings when used in the opposite form;

(c) unless otherwise specified, any reference in this Agreement to a contract, lease, instrument, release, credit agreement, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(d) unless otherwise specified, any reference in this Agreement to an existing document, schedule, or exhibit shall mean such document, schedule, or exhibit, as it may have been or may be amended, restated, supplemented, or otherwise modified from time to time; notwithstanding the foregoing, any capitalized terms in this Agreement that are defined with reference to another agreement, are defined with reference to such other agreement as of the date of this Agreement, without giving effect to any termination of such other agreement or amendments to such capitalized terms in any such other agreement following the date of this Agreement;

(e) unless otherwise specified, all references in this Agreement to "Sections" are references to Sections of this Agreement;

(f) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Agreement;

(g) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable limited liability company Laws;

(h) the use of "include" or "including" is without limitation, whether stated or not; and

(i) the phrase "counsel to the Consenting Stakeholders" refers in this Agreement to each counsel specified in Section 16.10 other than counsel to the Company.

Section 2. ***Effectiveness of this Agreement.*** This Agreement shall become effective and binding upon each of the Parties at 12:00 a.m., prevailing Eastern Time, on the Agreement

Effective Date, which is the date on which all of the following conditions have been satisfied or waived in accordance with this Agreement:

(a) the Company shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the Parties;

(b) holders of at least two thirds of the aggregate outstanding principal amount of Loan Claims shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the Parties;

(c) WET and WEC each shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the Parties; and

(d) counsel to the Company shall have given notice to counsel to the Consenting Stakeholders in the manner set forth in Section 16.10 of this Agreement (by email or otherwise) that the other conditions to the Agreement Effective Date set forth in this Section 2(a) have occurred.

Section 3. ***Definitive Documents.***

3.01. The Definitive Documents governing the Restructuring Transactions shall consist of the following: (A) the Plan and its exhibits, ballots, and solicitation procedures; (B) the Confirmation Order; (C) the Interim Financing Order and the Final Financing Order; (D) the Disclosure Statement; (E) the Disclosure Statement Order; (F) the First Day Pleadings and all orders sought pursuant thereto; (G) the Plan Supplement; (H) the Group 1 Sale Motion; (I) the Group 1 Sale Order; (J) the Group 2 Sale Motion; (K) the Group 2 Sale Order; and (L) the Mineral Payments Motion.

3.02. The Definitive Documents not executed or in a form attached to this Agreement as of the Execution Date remain subject to negotiation and completion. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter, or instrument related to the Restructuring Transactions shall contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with Section 15. Further, the Definitive Documents not executed or in a form attached to this Agreement as of the Execution Date shall otherwise be in form and substance acceptable to the Company and the Required Consenting Lenders, not to be unreasonably withheld.

Section 4. ***Milestones.***

4.01. Milestones. The following Milestones, subject to the Bankruptcy Court's availability, shall apply to this Agreement unless extended or waived in writing by the Company and the Required Consenting Lenders:

(a) no later than the Petition Date, the Company shall have commenced the Chapter 11 Case;

(b) no later than 1 calendar day after the Petition Date, the Company shall have filed the TenOaks Retention Application;

(c) no later than 1 calendar day after the Petition Date, the Company shall have filed the Mineral Payments Motion;

(d) no later than 1 calendar day after the Petition Date, the Company shall have filed the Financing Motion;

(e) no later than 1 calendar day after the Petition Date, the Company shall have filed the Group 1 Sale Motion;

(f) no later than 7 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Interim Financing Order;

(g) no later than 21 calendar days after the Petition Date, the Administrative Agent and the CRO shall have agreed to the structure of the Wind Down, including a Wind Down Funding budget acceptable to the Administrative Agent;

(h) no later than 30 calendar days after the Petition Date, the Company shall have filed the Plan and Disclosure Statement;

(i) no later than 30 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Final Financing Order;

(j) no later than 31 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Group 1 Sale Order;

(k) no later than 45 calendar days after the Petition Date, the Group 1 Asset Sales shall have closed;

(l) no later than 45 calendar days after the Petition Date, the Company shall have filed the Group 2 Sale Motion;

(m) no later than 75 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Group 2 Sale Order;

(n) no later than 89 calendar days after the Petition Date, the Group 2 Asset Sales shall have closed;

(o) no later than 105 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Disclosure Statement Order and Confirmation Order; and

(p) no later than 120 calendar days after the Petition Date, the Plan Effective Date Shall have occurred.

Section 5. ***Commitments of the Consenting Stakeholders.***

5.01. General Commitments, Forbearances, and Waivers.

(a) During the Agreement Effective Period, each Consenting Stakeholder severally, and not jointly, agrees in respect of all of its Company Claims/Interests pursuant to this Agreement to:

(i) support the Restructuring Transactions and vote and exercise any powers or rights available to it (including in any board, shareholders', or creditors' meeting or in any process requiring voting or approval to which they are legally entitled to participate) in each case in favor of any matter requiring approval to the extent necessary to implement the Restructuring Transactions;

(ii) use commercially reasonable efforts to cooperate with and assist the Company in obtaining additional support for the Restructuring Transactions from the Company's other stakeholders;

(iii) use commercially reasonable efforts to oppose any party or person from taking any actions contemplated in Section 5.01(b);

(iv) give any notice, order, instruction, or direction to the Administrative Agent necessary to give effect to the Restructuring Transactions;

(v) negotiate in good faith and use commercially reasonable efforts to execute and implement the Definitive Documents that are consistent with this Agreement to which it is required to be a party; and

(vi) negotiate in good faith and use commercially reasonable efforts to execute and deliver any appropriate additional or alternative provisions or agreements to address any legal, financial, or structural impediment that may arise that would prevent, hinder, impede, delay, or are necessary to effectuate the consummation of the Restructuring Transactions, including by timely reviewing and providing comments to such provisions or agreements.

(b) During the Agreement Effective Period, each Consenting Stakeholder severally, and not jointly, agrees in respect of all of its Company Claims/Interests pursuant to this Agreement that it shall not directly or indirectly, and shall not direct any other person to:

(i) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(ii) propose, file, support, or vote for any Alternative Restructuring Proposal;

(iii) file any motion, pleading, or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not materially consistent with this Agreement or the Plan;

(iv) exercise any right or remedy for the enforcement, collection, or recovery of any of the Claims or Interests against the Company, including rights or remedies arising from or asserting or bringing any claims under or with respect to the Loans;

(v) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to the Chapter 11 Case, this Agreement, or the other Restructuring Transactions contemplated in this Agreement against the Company or the other Parties other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement; or

(vi) object to, delay, impede, or take any other action to interfere with the Company's ownership and possession of their assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code.

5.02. Commitments with Respect to Chapter 11 Case.

(a) During the Agreement Effective Period, each Consenting Stakeholder that is entitled to vote to accept or reject the Plan pursuant to its terms, severally, and not jointly, agrees that it shall, subject to receipt by such Consenting Stakeholder, whether before or after the commencement of the Chapter 11 Case, of the Solicitation Materials:

(i) vote each of its Company Claims/Interests to accept the Plan by delivering its duly executed and completed ballot accepting the Plan on a timely basis following the commencement of the solicitation of the Plan and its actual receipt of the Solicitation Materials and the ballot;

(ii) to the extent it is permitted to elect whether to opt out of the releases set forth in the Plan, elect not to opt out of the releases set forth in the Plan by timely delivering its duly executed and completed ballot(s) indicating such election; and

(iii) not change, withdraw, amend, or revoke (or cause to be changed, withdrawn, amended, or revoked) any vote or election referred to in clauses (a)(i) and (ii) above.

(b) During the Agreement Effective Period, each Consenting Stakeholder, in respect of each of its Company Claims/Interests, severally, and not jointly, will support, and will not directly or indirectly object to, delay, impede, or take any other action to interfere with any motion or other pleading or document filed by the Company in the Bankruptcy Court that is consistent with this Agreement.

Section 6. ***Additional Provisions Regarding the Consenting Stakeholders' Commitments.*** Notwithstanding anything contained in this Agreement, nothing in this Agreement shall: (a) affect the ability of any Consenting Stakeholder to consult with any other Consenting Stakeholder, the Company, or any other party in interest in the Chapter 11 Case (including any official committee and the United States Trustee); (b) impair or waive the rights of any Consenting Stakeholder to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions; and (c) prevent any Consenting Stakeholder from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

Section 7. ***Commitments of the Company.***

7.01. Affirmative Commitments. Except as set forth in Section 8, during the Agreement Effective Period, the Company agrees to:

(a) support and take all steps reasonably necessary and desirable to consummate the Restructuring Transactions in accordance with this Agreement;

(b) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions contemplated in this Agreement, support and take all steps reasonably necessary and desirable to address any such impediment;

(c) use commercially reasonable efforts to obtain any and all required regulatory and/or third-party approvals for the Restructuring Transactions;

(d) use commercially reasonable efforts to actively oppose and object to the efforts of any person seeking to object to, delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring Transactions (including, if applicable, the timely filing of objections or written responses in the Chapter 11 Case) to the extent such opposition or objection is reasonably necessary or desirable to facilitate implementation of the Restructuring Transactions;

(e) negotiate in good faith and use commercially reasonable efforts to execute and deliver the Definitive Documents and any other required agreements to effectuate and consummate the Restructuring Transactions as contemplated by this Agreement;

(f) (i) provide counsel for the Consenting Stakeholders a reasonable opportunity to review draft copies of all Definitive Documents and (ii) provide a reasonable opportunity to counsel to any Consenting Stakeholders materially affected by such filing to review draft copies of other documents that the Company intends to file with the Bankruptcy Court, as applicable;

(g) inform counsel to the Consenting Stakeholders as soon as reasonably practicable after becoming aware of any of the following events, to the extent the Board of Directors, managers, or similar governing body of the Company determines, after consulting with counsel, in good faith, that any event or circumstance that has occurred, or that is reasonably likely to occur (and if it did so occur), that would permit any Party to terminate, or would result in the termination of, this Agreement;

(h) use commercially reasonable efforts to seek additional support for the Restructuring Transactions from their other material stakeholders to the extent reasonably prudent.

7.02. Negative Commitments. Except as set forth in Section 8, during the Agreement Effective Period, the Company shall not directly or indirectly:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(b) take any action that is inconsistent in any material respect with, or is intended to frustrate or impede approval, implementation and consummation of the Restructuring Transactions described in, this Agreement or the Plan;

(c) modify the Plan, in whole or in part, in a manner that is not consistent with this Agreement in all material respects;

(d) file any motion, pleading, or Definitive Documents with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not materially consistent with this Agreement or the Plan; or

(e) (i) consent to, support, or pursue any sale of Weatherly's assets, or (ii) resign as operator of, or support any other person or entity becoming operator of, any of Weatherly's assets that the Company operates as of the date hereof, in each case of clauses (i) and (ii), that is not approved by the Administrative Agent.

Section 8. ***Additional Provisions Regarding the Company's Commitments.***

8.01. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall require the Company or the board of directors, board of managers, or similar governing body of the Company, after consulting with counsel, to take any action or to refrain from taking any action with respect to the Restructuring Transactions to the extent taking or failing to take such action would be inconsistent with applicable Law or its fiduciary obligations under applicable Law, and any such action or inaction pursuant to this Section 8.01 shall not be deemed to constitute a breach of this Agreement.

8.02. Notwithstanding anything to the contrary in this Agreement, but subject to the terms of Section 8.01, the Company and their respective directors, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives, in each case, in their respective capacities as such, shall have the rights to: (a) consider, respond to, and facilitate Alternative Restructuring Proposals; (b) maintain or continue discussions or negotiations with respect to Alternative Restructuring Proposals; (c) otherwise cooperate with, assist, participate in, or facilitate any inquiries, proposals, discussions, or negotiation of Alternative Restructuring Proposals; and (d) enter into or continue discussions or negotiations with holders of Company Claims/Interests (including any Consenting Stakeholder), any other party in interest in the Chapter 11 Case (including any official committee and the United States Trustee), or any other Entity regarding the Restructuring Transactions or Alternative Restructuring Proposals.

8.03. Nothing in this Agreement shall: (a) impair or waive the rights of the Company to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions; or (b) prevent the Company from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

Section 9. ***Commitments of WOP.***

9.01. Negative Commitments. During the Agreement Effective Period, WOP shall not directly or indirectly pay any bonus under the New MSA unless such bonus is in accordance with the Term Sheet and New MSA.

Section 10. ***Transfer of Interests and Securities.***

10.01. No Consenting Stakeholder shall Transfer any ownership (including any beneficial ownership as defined in the Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in any Company Claims/Interests or any claim that may be released on or before the Plan Effective Date (collectively, the "**Subject Claims/Interests**") to any affiliated or unaffiliated party, including any party in which it may hold a direct or indirect beneficial interest, unless:

(a) in the case of any Subject Claims/Interests, the authorized transferee is either (1) a qualified institutional buyer as defined in Rule 144A under the Securities Act, (2) a non-U.S. person in an offshore transaction as defined in Regulation S under the Securities Act, (3) an institutional accredited investor (as defined in the Rules), or (4) a Consenting Stakeholder;

(b) either (i) the transferee executes and delivers to counsel to the Company, at or before the time of the proposed Transfer, a Transfer Agreement or (ii) the transferee is a Consenting Stakeholder and the transferee provides notice of such Transfer (including the amount and type of Subject Claim/Interest Transferred) to counsel to the Company at or before the time of the proposed Transfer; and

(c) with respect to the Transfer of any Equity Interests only, such Transfer shall not (i) violate the terms of any order entered by the Bankruptcy Court with respect to preservation of net operating losses or (ii) in the reasonable business judgment of the Company and its legal and tax advisors, adversely (A) affect the Company's ability to maintain the value of and utilize the Company's net operating loss carryforwards or other tax attributes or (B) the Company's ability to obtain the regulatory consents or approval necessary to effectuate the Restructuring Transactions.

10.02. Upon compliance with the requirements of Section 10.01, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of the rights and obligations in respect of such transferred Subject Claims/Interests. Any Transfer in violation of Section 10.01 shall be void *ab initio*.

10.03. This Agreement shall in no way be construed to preclude the Consenting Stakeholders from acquiring additional Subject Claims/Interests. Notwithstanding the foregoing, (a) such additional Subject Claims/Interests shall automatically and immediately upon acquisition by a Consenting Stakeholder be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to counsel to the Company or counsel to the Consenting Stakeholders) and (b) such Consenting Stakeholder must provide notice of such acquisition (including the amount and type of Subject Claim/Interest acquired) to counsel to the Company within five (5) Business Days of such acquisition.

10.04. This Section 10 shall not impose any obligation on the Company to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Consenting Stakeholder to Transfer any of its Subject Claims/Interests.

10.05. Notwithstanding Section 10.01, a Qualified Marketmaker that acquires any Subject Claims/Interests with the purpose and intent of acting as a Qualified Marketmaker for such Subject Claims/Interests shall not be required to execute and deliver a Transfer Agreement in respect of such Subject Claims/Interests if (i) such Qualified Marketmaker subsequently transfers such Subject Claims/Interests (by purchase, sale assignment, participation, or otherwise) within five (5) Business Days of its acquisition to a transferee that is an entity that is not an affiliate, affiliated fund, or affiliated entity with a common investment advisor; (ii) the transferee otherwise is a Permitted Transferee under Section 10.01; and (iii) the Transfer otherwise is a Permitted Transfer under Section 10.01. To the extent that a Consenting Stakeholder is acting in its capacity as a Qualified Marketmaker, it may Transfer (by purchase, sale, assignment, participation, or otherwise) any right, title, or interests in Subject Claims/Interests that the Qualified Marketmaker acquires from a holder of the Subject Claims/Interests who is not a Consenting Stakeholder without the requirement that the transferee be a Permitted Transferee.

10.06. Notwithstanding anything to the contrary in this Section 10, the restrictions on Transfer set forth in this Section 10 shall not apply to the grant of any liens or encumbrances on any claims and interests in favor of a bank or broker-dealer holding custody of such claims and interests in the ordinary course of business and which lien or encumbrance is released upon the Transfer of such claims and interests.

Section 11. ***Representations and Warranties of Consenting Stakeholders.*** Each Consenting Stakeholder severally, and not jointly, represents and warrants that, as of the date such Consenting Stakeholder executes and delivers this Agreement and as of the Plan Effective Date:

(a) it is the beneficial or record owner of the face amount of the Company Claims/Interests or is the nominee, investment manager, or advisor for beneficial holders of the Company Claims/Interests reflected in, and, having made reasonable inquiry, is not the beneficial or record owner of any Company Claims/Interests other than those reflected in, such Consenting Stakeholder's signature page to this Agreement or a Transfer Agreement, as applicable (as may be updated pursuant to Section 10);

(b) it has the full power and authority to act on behalf of, vote and consent to matters concerning, such Company Claims/Interests;

(c) such Company Claims/Interests are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would adversely affect in any way such Consenting Stakeholder's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed;

(d) it has the full power to vote, approve changes to, and transfer all of its Company Claims/Interests referable to it as contemplated by this Agreement subject to applicable Law; and

(e) solely with respect to holders of Company Claims/Interests, (i) it is either (A) a qualified institutional buyer as defined in Rule 144A under the Securities Act, (B) not a U.S. person (as defined in Regulation S under the Securities Act), or (C) an institutional accredited investor (as defined in the Rules), and (ii) any securities acquired by the Consenting Stakeholder in connection with the Restructuring Transactions will have been acquired for investment and not with a view to distribution or resale in violation of the Securities Act.

Section 12. ***Representations and Warranties of Company.*** The Company represents and warrants, as of the date the Company executes and delivers this Agreement, that entry into this Agreement, as of the Agreement Effective Date, is consistent with the exercise of the Company's fiduciary duties.

Section 13. ***Mutual Representations, Warranties, and Covenants***. Each of the Parties represents, warrants, and covenants to each other Party, as of the date such Party executed and delivers this Agreement, on the Plan Effective Date:

(a) it is validly existing and in good standing under the Laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(b) except as expressly provided in this Agreement, the Plan, and the Bankruptcy Code, no consent or approval is required by any other person or entity in order for it to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement;

(c) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not, and will not, conflict in any material respect with any Law or regulation applicable to it or with any of its articles of association, memorandum of association, or other constitutional documents;

(d) except as expressly provided in this Agreement, it has (or will have, at the relevant time) all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement; and

(e) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements with the other Parties to this Agreement that have not been disclosed to all Parties to this Agreement.

Section 14. ***Termination Events.***

14.01. Consenting Stakeholder Termination Events. This Agreement may be terminated (x) with respect to the Consenting Lenders or the Administrative Agent by the Required Consenting Lenders, (y) with respect to Cargill, by Cargill, and (z) with respect to WET by WET,

in each case, by the delivery to the Company of a written notice in accordance with Section 16.10 of this Agreement upon the occurrence of the following events:

(a) the breach in any material respect by the Company of any of the representations, warranties, or covenants of the Company set forth in this Agreement, except those set forth in Section 7.02(e) of this Agreement, that (i) is adverse to the Consenting Stakeholders seeking termination pursuant to this provision and (ii) remains uncured for five (5) Business Days after such terminating Consenting Stakeholders transmit a written notice in accordance with Section 16.10 of this Agreement detailing any such breach;

(b) the Company (i) withdraws the Plan or (ii) publicly announces its intention not to support the Restructuring Transactions;

(c) the Company files any motion or pleading with the Bankruptcy Court that is not consistent with this Agreement and such motion or pleading has not been withdrawn prior to the earlier of (i) two (2) Business Days after the Company receives written notice from the Required Consenting Lenders that such motion or pleading is inconsistent with this Agreement and (ii) entry of an order of the Bankruptcy Court approving such motion or pleading;

(d) the Company determines that it or the board of directors, board of managers, members, or any similar governing body of the Company taking any action or refraining from taking any action with respect to the Restructuring Transactions would be inconsistent with applicable Law or its fiduciary obligations under applicable Law;

(e) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) remains in effect for five (5) Business Days after such terminating Consenting Stakeholders transmit a written notice in accordance with Section 16.10 of this Agreement detailing any such issuance; notwithstanding the foregoing, this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement;

(f) the Bankruptcy Court enters an order denying confirmation of the Plan and such order remains in effect for five (5) Business Days after entry of such order;

(g) the entry of an order by the Bankruptcy Court, or the filing of a motion or application by the Company seeking an order (without the prior written consent of the Required Consenting Lenders, not to be unreasonably withheld), (i) converting one or more of the Chapter 11 Case of the Company to a case under chapter 7 of the Bankruptcy Code, (ii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in one or more of the Chapter 11 Case of the Company, or (iii) rejecting this Agreement; or

(h) the failure to meet a Milestone, which has not been waived or extended in a manner consistent with this Agreement, unless such failure is the result of any act, omission, or delay on the part of the terminating Consenting Stakeholder in violation of its obligations under this Agreement.

14.02. Consenting Lenders Termination Events. This Agreement may be terminated with respect to the Consenting Lenders or the Administrative Agent by the Required Consenting Lenders, by the delivery to the Company of a written notice in accordance with Section 16.10 of this Agreement upon the occurrence of the following events:

(a) the occurrence of an "Event of Default" under the DIP Financing Agreement;

(b) the Company takes any action to remove the CRO or reduce the authorities or powers of the CRO;

(c) the breach in any material respect of any of the representations, warranties, or covenants set forth in Section 7.02(e) or Section 9.01(a) of this Agreement.

14.03. Company Termination Events. The Company may terminate this Agreement as to all Parties upon prior written notice to all Parties in accordance with Section 16.10 of this Agreement upon the occurrence of any of the following events:

(a) the breach in any material respect by one or more of the Consenting Stakeholders of any provision set forth in this Agreement that remains uncured for a period of five (5) Business Days after the receipt by one or more of the Consenting Stakeholders of notice of such breach;

(b) the board of directors, board of managers, or such similar governing body of the Company determines, after consulting with outside counsel, (i) that proceeding with any of the Restructuring Transactions would be inconsistent with the exercise of its fiduciary duties or applicable Law or (ii) in the exercise of its fiduciary duties, to pursue an Alternative Restructuring Proposal;

(c) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) remains in effect for five (5) Business Days after the Company transmits a written notice in accordance with Section 16.10 of this Agreement detailing any such issuance; notwithstanding the foregoing, this termination right shall not apply to or be exercised by the Company that sought or requested such ruling or order in contravention of any obligation or restriction set out in this Agreement; or

(d) the Bankruptcy Court enters an order denying confirmation of the Plan and such order remains in effect for five (5) Business Days after entry of such order.

14.04. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among all of the following: (a) each Required Consenting Stakeholder and (b) the Company.

14.05. Automatic Termination. This Agreement shall terminate automatically without any further required action or notice on the earlier of (i) the Outside Date and (ii) the Plan Effective Date.

14.06. Effect of Termination. After the occurrence of a Termination Date as to a Party, if the Parties seeking to enforce this Agreement are unable to obtain an order within five (5) Business Days of the purported occurrence of a Termination Date from the Chosen Court finding that the occurrence of a Termination Date was improper, this Agreement shall be of no further force and effect as to such Party and each Party subject to such termination shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Claims or Causes of Action. Notwithstanding the foregoing, a termination under Section 14.03(b) shall occur immediately. Upon the occurrence of a Termination Date prior to the Confirmation Order being entered by a Bankruptcy Court, any and all consents or ballots tendered by the Parties subject to such termination before a Termination Date shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions and this Agreement or otherwise. Notwithstanding the foregoing, any Consenting Stakeholder withdrawing or changing its vote pursuant to this Section 14.06 shall promptly provide written notice of such withdrawal or change to each other Party to this Agreement and, if such withdrawal or change occurs on or after the Petition Date, file notice of such withdrawal or change with the Bankruptcy Court. Nothing in this Agreement shall be construed as prohibiting the Company or any of the Consenting Stakeholders from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Date. Except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict (a) any right of the Company or the ability of the Company to protect and reserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Consenting Stakeholder, and (b) any right of any Consenting Stakeholder, or the ability of any Consenting Stakeholder, to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against the Company or Consenting Stakeholder. No purported termination of this Agreement shall be effective under this Section 14.06 or otherwise if the Party seeking to terminate this Agreement is in material breach of this Agreement, except a termination pursuant to Section 14.03(b) or Section 14.03(d). Nothing in this Section 14.06 shall restrict the Company's right to terminate this Agreement in accordance with Section 14.03(b).

Section 15. ***Amendments and Waivers.***

(a) This Agreement may not be modified, amended, or supplemented, and no condition or requirement of this Agreement may be waived, in any manner except in accordance with this Section 15.

(b) This Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, in a writing signed by: (x) the Company and (y) the following Parties, solely with respect to any modification, amendment, waiver, or supplement that materially and adversely affects the rights of such Parties and unless otherwise specified in this Agreement: (i) the Required Consenting Lenders, (ii) Cargill, and (iii) WET.

(c) Any proposed modification, amendment, waiver, or supplement that does not comply with this Section 15 shall be ineffective and void *ab initio*.

(d) The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall operate as a waiver of any such right, power, or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power, or remedy by such Party preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power, or remedy. All remedies under this Agreement are cumulative and are not exclusive of any other remedies provided by Law.

Section 16. *Miscellaneous.*

16.01. Acknowledgement. Notwithstanding any other provision of this Agreement, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities Laws, provisions of the Bankruptcy Code, and/or other applicable Law.

16.02. Exhibits Incorporated by Reference; Conflicts. Each of the exhibits, annexes, signatures pages, and schedules attached to this Agreement is expressly incorporated and made a part of this Agreement, and all references to this Agreement shall include such exhibits, annexes, and schedules. In the event of any inconsistency between this Agreement (without reference to the exhibits, annexes, and schedules attached to this Agreement) and the exhibits, annexes, and schedules attached to this Agreement, this Agreement (without reference to the exhibits, annexes, and schedules thereto) shall govern.

16.03. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters specified in this Agreement, as may be reasonably appropriate or necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Restructuring Transactions, as applicable.

16.04. Complete Agreement. Except as otherwise explicitly provided in this Agreement, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, oral or written, among the Parties with respect thereto. The Parties acknowledge and agree that they are not relying on any representations or warranties other than as set forth in this Agreement.

16.05. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE CHOSEN STATE, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES. Each Party to this Agreement agrees that it shall bring any action or proceeding in respect of any claim arising out of or related

to this Agreement, to the extent possible, in the Chosen Court, and solely in connection with claims arising under this Agreement: (a) irrevocably submits to the exclusive jurisdiction of the Chosen Court; (b) waives any objection to laying venue in any such action or proceeding in the Chosen Court; and (c) waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over any Party to this Agreement.

16.06. TRIAL BY JURY WAIVER. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

16.07. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

16.08. Rules of Construction. This Agreement is the product of negotiations among the Company and the Consenting Stakeholders, and in the enforcement or interpretation of this Agreement, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion of this Agreement, shall not be effective in regard to the interpretation of this Agreement. The Company and the Consenting Stakeholders were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

16.09. Successors and Assigns; Third Parties. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third-party beneficiaries under this Agreement, and, except as set forth in Section 10, the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other person or entity.

16.10. Notices. All notices hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to the Company, to:

Weatherly Oil & Gas LLC
777 Taylor Street
Suite 902
Fort Worth, TX 76102
Attention: Scott Pinsonnault
E-mail address: scott.pinsonnault@ankura.com

with copies to:

Jackson Walker LLP
1401 McKinney Street
Suite 1900
Houston, TX 77010
Attention: Matthew Cavenaugh
E-mail address: mcavenaugh@jw.com

(b) if to a Consenting Lender or the Administrative Agent, to:

Vinson & Elkins LLP
666 Fifth Avenue
26th Floor
New York, NY 10103
Attention: David S. Meyer, Steven Zundell, and Michael A. Garza
E-mail address: dmeyer@velaw.com
szundell@velaw.com
mgarza@velaw.com

-and-

Vinson & Elkins LLP
1001 Fannin Street
Suite 2500
Houston, TX 77002
Attention: Harry Allen Perrin
E-mail address: hperrin@velaw.com

(c) if to Cargill, to:

Cargill Incorporated
825 Town and Country Lane, Suite 1430
Houston, TX 77024
Attention: Tyler R. Smith
E-mail address: Tyler_Smith_1@Cargill.com

(d) if to WET, to:

Vortus Investments, LP
The Cassidy Building
407 Throckmorton Street
Unit 560
Fort Worth, TX 76102

EXHIBIT 3

Attention: Frank Lamsens
E-mail address: flamsens@vortus.com

with copies to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attention: Gregory F. Pesce
E-mail address: gregory.pesce@kirkland.com

Any notice given by delivery, mail, or courier shall be effective when received.

16.11. Independent Due Diligence and Decision Making. Each Consenting Stakeholder confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions, and prospects of the Company. Each Consenting Stakeholder acknowledges and agrees that it is not relying on any representations or warranties other than as set forth in this Agreement.

16.12. Enforceability of Agreement. Each of the Parties to the extent enforceable waives any right to assert that the exercise of termination rights under this Agreement is subject to the automatic stay provisions of the Bankruptcy Code, and expressly stipulates and consents hereunder to the prospective modification of the automatic stay provisions of the Bankruptcy Code for purposes of exercising termination rights under this Agreement, to the extent the Bankruptcy Court determines that such relief is required.

16.13. Waiver. If the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms or the payment of damages to which a Party may be entitled under this Agreement.

16.14. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

16.15. Several, Not Joint, Claims. Except where otherwise specified, the agreements, representations, warranties, and obligations of the Parties under this Agreement are, in all respects, several and not joint.

16.16. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions

shall remain in full force and effect if essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

16.17. Capacities of Consenting Stakeholders. Each Consenting Stakeholder has entered into this agreement on account of all Company Claims/Interests that it holds (directly or through discretionary accounts that it manages or advises) and, except where otherwise specified in this Agreement, shall take or refrain from taking all actions that it is obligated to take or refrain from taking under this Agreement with respect to all such Company Claims/Interests.

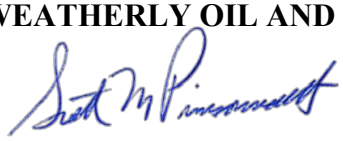
16.18. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, pursuant to Section 3.02, Section 15, or otherwise, including a written approval by the Company or the Required Consenting Stakeholders, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the Parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

16.19. Computation of Time. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which an event is set to occur on a day that is not a Business Day, then such event shall instead occur on the next succeeding Business Day.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

Company's Signature Page to
the Transaction Support Agreement

WEATHERLY OIL AND GAS, LLC



Scott Pinsonnault
Chief Restructuring Officer

EXHIBIT 3

WOP's Signature Page to
the Transaction Support Agreement

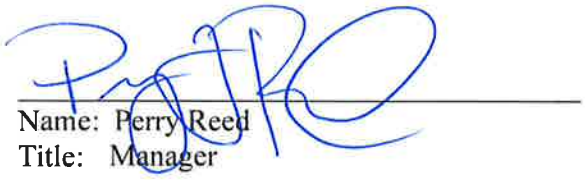
WEATHERLY OPERATING, LLC

Perry Reed
Chief Executive Officer

EXHIBIT 3

Consenting Stakeholder Signature Page to the Transaction Support Agreement

WEATHERLY ENERGY CAPITAL LLC



Name: Perry Reed
Title: Manager

EXHIBIT 3

Consenting Stakeholder Signature Page to the Transaction Support Agreement

WEATHERLY EAST TEXAS, LLC

Name: Brian Crumley
Title: Authorized Representative

Address: 407 Throckmorton St. Suite 560
Fort Worth, TX 76102

E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Loan Claims	N/A
Equity Interests	99.776%

EXHIBIT 3

Consenting Stakeholder Signature Page to the Transaction Support Agreement

CARGILL INCORPORATED

Name: Tyler R. Smith
Title: Authorized Person

Cargill Incorporated
825 Town and Country Lane, Suite 1430
Houston, TX 77024
Attn: Attention: Tyler R. Smith
Tyler_Smith_1@Cargill.com

Aggregate Amounts Beneficially Owned or Managed on Account of:	
ISDA Master Agreement Obligations	$3,468,755.97

EXHIBIT 3

Administrative Agent Signature Page to the Transaction Support Agreement

ANGELO GORDON ENERGY SERVICER, LLC, as AGENT

Name: Todd Dittmann
Title: Authorized Person

EXHIBIT 3

Consenting Stakeholder Signature Page to the Transaction Support Agreement

AG ENERGY FUNDING, LLC

Name: Todd Dittmann
Title: Authorized Person

245 Park Ave, 26th Floor
New York, NY 10167
Attn: Scott McMurtry
smcmurtry@angelogordon.com

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Loan Claims	$45,119,848.00

EXHIBIT 3

Consenting Stakeholder Signature Page to the Transaction Support Agreement

AB ENERGY OPPORTUNITY FUND, L.P.

Name: Petter Stensland
Title: Vice President

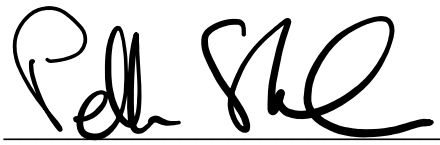
c/o AllianceBernstein
1345 Ave of the Americas
38th Floor
New York, NY 10105
Petter.Stensland@alliancebernstein.com

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Loan Claims	$26,883,635.89

EXHIBIT 3

Consenting Stakeholder Signature Page to the Transaction Support Agreement

AB EOF WEATHERLY CO-INVEST FUND, L.P.



Name: Petter Stensland
Title: Vice President

c/o AllianceBernstein
1345 Ave of the Americas
38th Floor
New York, NY 10105
Petter.Stensland@alliancebernstein.com

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Loan Claims	$18,236,212.11

EXHIBIT 3

EXHIBIT A

Term Sheet

Execution Version

WEATHERLY OIL & GAS, LLC TERM SHEET[1]

February 28, 2019

This term sheet (this "***Term Sheet***") describes the terms of the Chapter 11 Case of Weatherly to effectuate a sale and liquidation of the Company pursuant to a plan of liquidation. This Term Sheet is an integral part of the TSA. This Term Sheet is protected by Rule 408 of the Federal Rules of Evidence and any other applicable statutes, rules, or doctrines protecting the use or disclosure of confidential settlement discussions. Nothing herein shall be deemed to be an admission of fact or liability by any party.

Prepetition	
Prepetition Indebtedness	As of February 21, 2019, the Company has the following indebtedness: • Approximately $90.2 million outstanding under the Credit Agreement, including accrued and unpaid interest, fees, and the Make-Whole Amount (as defined in the Credit Agreement) which is secured by substantially all of the Company's assets; • Approximately $3.5 million in obligations to Cargill on account of that certain ISDA Master Agreement dated July 15, 2014 between Weatherly and Cargill, Incorporated, which is secured by substantially all of the Company's assets; • Approximately $8.14 million in general unsecured obligations are owed to vendors and trade creditors (the "***Trade Creditor Obligations***"); and • Approximately $8.6 million in obligations to land owners for accrued, unpaid royalties.
Prepetition Asset Sales	• Following the Petition Date, TenOaks shall continue the private asset sale process. • The Company shall finalize a purchase and sale agreement, or such other agreement acceptable to the Administrative Agent (each, a "***PSA***"), for each of the Group 1 Assets.
The Chapter 11 Case	
Funding the Chapter 11 Case	• The Chapter 11 Case shall be funded with the Company's cash on hand, cash from the Asset Sales and operations, and debtor-in-possession financing pursuant to the DIP Financing Agreement, substantially in the form attached hereto as **Exhibit 1**. • Approval of the Financing Motion shall be subject to the Milestones in the TSA.

Distribution of Group 1 Asset Sale Proceeds	• The cash proceeds of the Group 1 Asset Sales shall be net of (a) the Success Fee (as such term is defined in the TenOaks Engagement Letter) due to TenOaks on account of the Group 1 Asset Sales, and (b) all deductions and accrued liabilities associated with the Group 1 Assets, as contemplated to be satisfied pursuant to the respective PSAs (including if necessary and required by law, for the removal of any valid liens or encumbrances) (the "***Group 1 Sale Proceeds***").
	• The Group 1 Sale Proceeds shall:
	  • *first,* be allocated $5.98 million (the "***Asset Sale Funding***") to fund the Chapter 11 Case in accordance with and subject to the DIP Budget, and any modifications made under the terms of the Final Financing Order;
	  • *second,* pay all outstanding payments due to operators for their share of production costs through payment of joint-interest billings ("***JIBs***") under the Company's

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Transaction Support Agreement (the "***TSA***"), dated as of February 28, 2019, by and among the Company, the Lenders, the Administrative Agent, Cargill, WET, WEC and WOP, to which this Term Sheet is attached as Exhibit A.

EXHIBIT 3

	various joint operating agreements, as set forth in the Company's motion authorizing the payment or application of funds attributable to (a) mineral and other interests and non-op working interests and (b) JIBs (the "***Mineral Payments Motion***"); • *third,* pay all DIP Financing obligations, including the reasonable and documented prepetition fees and expenses of attorneys and advisors for the DIP Secured Parties (as such term is defined in the Proposed Final Financing Order) (including, without limitation, the reasonable and documented prepetition fees and expenses of Vinson & Elkins, LLP), in cash, in full, if applicable; • *fourth,* be allocated for the Plan Wind Down in an amount determined by the CRO and the Administrative Agent (the "***Wind Down Funding***"); and • *fifth*, be allocated to fund Plan distributions (as applicable) (clauses (i)-(v) collectively, the "***Group 1 Allocations***").
Group 2 Asset Sales	• Following the Petition Date, TenOaks shall continue the private asset sale processes with respect to the Group 2 Assets. • The Company shall enter into one or more PSAs for the Group 2 Assets. • The proceeds of the Group 2 Asset Sales shall be net of (a) the Success Fee (as such term is defined in the TenOaks Engagement Letter) due to TenOaks on account of the Group 2 Asset Sales, and (b) all deductions and accrued liabilities associated with the Group 2 Assets, as contemplated to be satisfied pursuant to the respective PSAs (including if necessary and required by law, for the removal of any valid liens or encumbrances) (the "***Group 2 Sale Proceeds***"). • The Group 2 Sale Proceeds shall: • *first,* be allocated to fund the Chapter 11 Case for any Asset Sale Funding not funded from the Group 1 Sale Proceeds in accordance with and subject to the DIP Budget; • *second,* pay any DIP Financing obligations not satisfied from the Group 1 Sale Proceeds in cash, in full, if applicable; • *third*, be allocated to fund the Wind Down Funding for any amounts not funded from the Group 1 Sale Proceeds; and • *fourth*, be allocated to fund Plan distributions (as applicable) (clauses (i)-(iv), together the "***Group 2 Allocations***"). • The Administrative Agent shall have the right to credit bid with respect to any or all of the Group 2 Assets, to the maximum extent permitted by applicable law (including the Interim Financing Order and Final Financing Order), under any sale under section 363 of the Bankruptcy Code or any plan of reorganization or plan of liquidation, including a credit bid with respect to the "Shelby" assets.
Management Services Agreement	• After the Petition Date, Weatherly shall enter into, and seek approval by the Bankruptcy Court, of a new MSA (the "***New MSA***,") with WOP on substantially the same terms and conditions as the MSA, provided that the New MSA shall incorporate the following terms and conditions: • The sum of each monthly payment due from Weatherly to WOP shall equal $240,000 and shall automatically be reduced each time a WOP employee ceases to be employed by WOP by an amount equal to 1/12 of such employee's annual salary. • Establish an employee bonus program, providing certain employees (the

EXHIBIT 3

	"***Eligible Employees***") [2] an opportunity to earn bonuses: (i) earned upon the completion of each milestone described below and (ii) payable upon the occurrence of the Plan Effective Date (the "***Payout Date***"), except that an Eligible Employee shall not be entitled to receive any bonus (x) unless such Eligible Employee diligently worked in good faith (in the sole discretion of the CRO) towards achieving the Restructuring Transactions (as defined in the TSA) or (y) if such Eligible Employee is not employed by WOP on the Payout Date (clauses (x) and (y) together, "***Ineligible Employees***"), and provided further that each Ineligible Employee's bonus amount (if any) shall revert to Weatherly on the Payout Date or the date of such Ineligible Employee's departure from WOP, as applicable. ▪ *Milestones (Percent of Maximum Bonus Earned Upon Completion)*: • First Day Motions (15% of Maximum Bonus Earned Upon Completion): The Company has (i) commenced the Chapter 11 Case by February 28, 2019 and (ii) filed the Financing Motion, TenOaks Retention Application, and the Vendor Payments Motion, no later than 1 calendar day after the Petition Date; • Group 1 Sale Proceeds (15% of Maximum Bonus Earned Upon Completion): The Company, no later than 1 calendar day after the Petition Date, shall have filed the Group 1 Sale Motions; • Repairs (15% of Maximum Bonus Earned Upon Completion): All assets on the Asset Repair List are repaired and the cost of such repairs does not exceed the Asset Repair Budget Amount;[3] • Asset Sales (45% of Maximum Bonus Earned Upon Completion): No later than (i) 45 calendar days after the Petition Date, the Group 1 Asset Sales shall have closed and (ii) 89 calendar days after the Petition Date the Group 2 Asset Sales shall have closed; and • Regular Attendance (10% of Maximum Bonus Earned Upon Completion): Between the Petition Date and the Plan Effective Date, each Eligible Employee has worked 95% of all working business days for WOP. ▪ CRO shall have the right to audit the bonus payments. • CRO shall have the right to audit (a) costs charged to Weatherly's accounts and other accounting records maintained under the MSA, and (b) WOP's books and records and any books and records maintained by Weatherly for WOP in

[2] The CRO shall designate which employees are Eligible Employees and shall determine the maximum bonus that each Eligible Employee may earn (the "***Maximum Bonus***") if all milestones occur. For the avoidance of doubt, the CRO shall consult with the Administrative Agent with regard to the Maximum Bonus for each Eligible Employee and the quantum of such payments individually and in the aggregate must be acceptable to the Administrative Agent, such consent not to be unreasonably withheld.

[3] The CRO shall designate which assets are included on the Asset Repair List and shall establish the Asset Repair Budget Amount. For the avoidance of doubt, the CRO shall consult with the Administrative agent with regard to determining which assets should be included on the Asset Repair List and the appropriate Asset Repair Budget Amount.

	connection with the effectuation of the MSA. • WOP's standard of care shall be consistent with third-party agreements negotiated on an arms-length basis. • The New MSA shall be in form and substance acceptable to the Administrative Agent. • The term of the New MSA shall be four months, for the avoidance of doubt, all Weatherly obligations with respect to this agreement shall terminate at the end of such four month term.		
Releases	• To the extent not expressly released prior to the Agreement Effective Date, each of the Parties together with WOP and their respective affiliates, direct and equity owners (including, for the avoidance of any doubt Vortus Investments, LP), current and former officers, employees, managers, members, directors, and each of their respective professionals, agents, and other representatives, each solely in its capacity as such, to the maximum extent permitted by law, shall release and be released on the Plan Effective Date with respect to any and all claims or causes of action, including derivative claims, whether contingent or uncontingent, liquidated or unliquidated, asserted or unasserted, arising on or prior to the Plan Effective Date.		
Plan Distribution	**DIP Lenders**		• On the Plan Effective Date, unless otherwise agreed by the DIP Lenders, payment in cash, in full of any outstanding DIP Financing obligations.
	Administrative Claims		• Payment in cash, in full, on the latest of: (i) the Plan Effective Date; and (ii) the date such Administrative Claim becomes due and payable.
	Class 1	**Other Secured Claims**	• On the Plan Effective Date, or as soon as reasonably practicable thereafter, payment in cash, in full or such other treatment as to render such claims unimpaired.
	Class 2	**Secured Parties**	• On the Plan Effective Date, (i) payment in cash of their pro rata share of the Secured Party Pool; and (ii) from the Final Distribution (as defined below), their pro rata share of the Final Distribution Pool.
	Class 3	**Trade Creditor Obligations**	• From the Final Distribution, their pro rata share of the Residual Pool, if any.
	Class 4	**Intercompany Claims**	• No Recovery; all intercompany claims (if any) shall be canceled and released in full and final satisfaction, settlement, and resolution of such claims on the Plan Effective Date.
	Class 5	**Intercompany Interests**	• No Recovery; all intercompany interests (if any) shall be canceled and released in full and final satisfaction, settlement, and resolution of such interests on the Plan Effective Date.
	Class 6	**Equity Interests in Weatherly**	• No Recovery; all Equity Interests in Weatherly shall be canceled and

EXHIBIT 3

			released in full and final satisfaction, settlement, and resolution of such interests on the Plan Effective Date.

Secured Party Pool	• The Secured Party Pool shall be all cash from the proceeds of the Asset Sales, after giving effect to:
	  • the Group 1 Allocations and Group 2 Allocations;
	  • payment to the DIP Lenders on account of the DIP Financing of any outstanding DIP Financing obligations after giving effect to the Group 1 Allocations;
	  • Administrative Claims; and
	  • any distributions to Class 1.
	• If the amount in the Secured Party Pool exceeds the amount of allowed claims of the Secured Parties then such excess amount shall fund a residual pool (the "***Residual Pool***").		

Plan Wind-Down	• After the Plan Effective Date, the CRO, or a liquidation trust formed pursuant to the Plan, shall continue, pursuant to the Plan, to wind-down the Company by abandoning and/or liquidating any and all remaining assets in the most cost efficient manner possible, to the extent permitted by the Bankruptcy Code or other applicable law (the "***Wind Down***") and in accordance with applicable law with any proceeds of the Wind Down (including any Group 2 Assets) to fund the Final Distribution Pool and taking other steps to wind-down the Company, including filing necessary tax returns.		
Final Distribution Pool	• The Final Distribution Pool, if any shall be funded from (i) any proceeds from the Wind Down, (ii) any funds remaining from the Asset Sale Funding, (iii) any funds remaining from the Wind Down Funding, and (iv) any funds returning to the Company on account of any posted bonds and/or letters of credit, provided that if the amount in the Secured Party Pool plus the amount to be funded to the Final Distribution Pool exceeds the amount of allowed claims of the Secured Parties then such excess amount shall fund the Residual Pool. • The Final Distribution Pool and Residual Pool to be distributed upon completion of the Wind Down (the "***Final Distribution***").		
Tax	• The Restructuring Transactions shall be structured in a tax efficient manner, as determined by the Required Consenting Stakeholders (as defined in the TSA) in their reasonable judgment.		

EXHIBIT 3

Exhibit 1

DIP Financing Agreement

EXHIBIT 3

EXHIBIT B

Form Transfer Agreement

Form Transfer Agreement

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of _____ (the "**Agreement**"),[1] by and among Weatherly Oil & Gas LLC ("**Weatherly**") and its affiliates bound thereto and the Consenting Stakeholders, including the transferor to the Transferee of any Company Claims/Interests (each such transferor, a "**Transferor**"), and agrees to be bound by the terms and conditions thereof to the extent the Transferor was thereby bound, and shall be deemed a "Consenting Stakeholder" and a ["Consenting Lender"] under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer, including the agreement to be bound by the vote of the Transferor if such vote was cast before the effectiveness of the Transfer discussed in this transfer agreement.

Date Executed:

_____
Name:
Title:

Address:

E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Loan Claims	
Equity Interests	

[1] Capitalized terms not used but not otherwise defined in this transfer agreement shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT C

Form of Joinder

Form of Joinder

The undersigned ("**Joinder Party**") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of _____ (the "**Agreement**"),[1] by and among Weatherly Oil & Gas LLC ("**Weatherly**") and its affiliates bound thereto and the Consenting Stakeholders and agrees to be bound by the terms and conditions thereof to the extent the other Parties are thereby bound, and shall be deemed a ["Consenting Stakeholder" and a] ["Consenting Lender"] [a "Administrative Agent"] under the terms of the Agreement.

The Joinder Party specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of this joinder and any further date specified in the Agreement.

Date Executed:

_____
Name:
Title:

Address:

E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Loan Claims	
Equity Interests	

[1] Capitalized terms not used but not otherwise defined in this joinder shall have the meanings ascribed to such terms in the Agreement.