

17367091802120000000000009

Motion”) requesting an order, among other things, deeming certain preferential purchase rights satisfied in connection with the Debtors’ ongoing marketing and sale process.

WHEREAS, on January 24, 2018, Anadarko filed a joinder to Chevron U.S.A. Inc.’s objection to the Bidding Procedures Motion [Docket No. 284].

WHEREAS, on January 25, 2018, the Court held a hearing on the Bidding Procedures Motion and, at the hearing, directed the Debtors to file a further motion seeking entry of an order deeming unenforceable certain preferential rights of purchase.

WHEREAS, on February 1, 2018, the Debtors filed the *Debtors’ Motion for Entry of an Order Deeming Unenforceable Certain Preferential Rights* [Docket No. 346] (the “Motion”).

WHEREAS, on February 8, 2018, Anadarko filed an objection to the Motion [Docket No. 381] (the “Objection”).

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED as follows:

1. The foregoing recitals are hereby incorporated by reference into this stipulation with the same force and effect as if fully set forth hereinafter.
2. Anadarko and the Debtors have agreed to a waiver of Anadarko’s asserted rights of first refusal on the terms and conditions set forth in the form letter agreement attached hereto as **Exhibit A**, which shall be executed on February 13, 2018 prior to the hearing on the Motion.
3. This stipulation resolves the Objection and the relief sought in the Motion with respect to Anadarko.
4. Each of the Parties represents and warrants it is duly authorized to enter into and be bound by this stipulation.
5. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this stipulation.

Stipulated and agreed by:

Houston, Texas

Dated: February 12, 2018

/s/ Zack A. Clement

Zack A. Clement (Texas Bar No. 04361550)

ZACK A. CLEMENT PLLC

3753 Drummond Street

Houston, Texas 77025

Telephone: (832) 274-7629

-and-

James H.M. Sprayregen, P.C.

Marc Kieselstein, P.C. (admitted *pro hac vice*)

Chad J. Husnick, P.C. (admitted *pro hac vice*)

Brad Weiland (admitted *pro hac vice*)

W. Benjamin Winger (admitted *pro hac vice*)

Laura Krucks (admitted *pro hac vice*)

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

300 North LaSalle Street

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

Co-Counsel to the Debtors and Debtors in Possession

/s/ William R. Greendyke

William R. Greendyke (Texas Bar No. 08390450)

Bob B. Bruner (Texas Bar No. 24062637)

NORTON ROSE FULBRIGHT US LLP

Fulbright Tower

1301 McKinney, Suite 5100

Houston, Texas 77010-3095

Telephone: (713) 651-5151

Fax: (713) 651-5246

*Counsel for Anadarko Petroleum Corporation and
Anadarko US Offshore LLC*

Exhibit A

Form Letter Agreement



February 11, 2018

Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, Texas 77380
Attention: Mr. Jim W. Bryan

RE: Letter Agreement Regarding Waiver of Preferential Purchase Right

Dear Mr. Bryan:

THIS LETTER AGREEMENT ("**Letter Agreement**") is made and entered into by and between Cobalt International Energy L.P., a Delaware limited partnership ("**Cobalt**") and Anadarko Petroleum Corporation, a Delaware corporation ("**Anadarko**").

Reference is made to (1) (a) that certain Heidelberg Prospect Operating Agreement covering Green Canyon Area Blocks 859, 903, 904 and 948, Outer Continental Shelf, Gulf of Mexico, effective October 15, 1998, between Exxon Corporation and Conoco Inc., as amended (the "**Heidelberg Operating Agreement**") and (b) that certain Participation Agreement covering Walker Ridge Area Blocks 51, 52 and 53 (N/2) Outer Continental Shelf, Gulf of Mexico, effective May 7, 2008, between Cobalt International Energy, L.P. and ConocoPhillips, together with that certain Joint Operating Agreement dated effective April 1, 2008, between ConocoPhillips, Anadarko E&P Company LP, and Kerr-McGee Oil & Gas Corporation, as amended (the "**Shenandoah Operating Agreement**", and collectively with the Heidelberg Operating Agreement, the "**Operating Agreements**") and (2) the bidding procedures attached as Schedule 1 to the *Order (I) Approving Bidding Procedures for the Sale of the Debtors' Assets, (II) Scheduling an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Debtors' Disclosure Statement and Plan Confirmation and (V) Granting Related Relief* (the "**Bidding Procedures**").

Cobalt is the owner of certain undivided record title interests in and to certain oil and gas leases subject to (1) the Heidelberg Operating Agreement (such leases, the "**Heidelberg Assets**") and (2) the Shenandoah Operating Agreement (such leases, the "**Shenandoah Assets**" and together with the Heidelberg Assets, the "**Assets**"). On December 14, 2017, Cobalt commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas. Cobalt intends, under one or more sales transactions and/or a chapter 11 plan, to effect a Transfer of Interest (as defined in the Operating Agreements) with regard to the Assets, in connection with Cobalt's chapter 11 cases, to one or more successful bidders (such bidders, the "**Buyers**", and such sale(s) and Transfers of Interest, the "**Transactions**").

By executing this Letter Agreement, subject to the condition that Cobalt, as a debtor in bankruptcy, (1) for the sole purpose of determining whether Anadarko has submitted a Qualified

Bid (as defined in the Bidding Procedures), waives the deposit requirement set forth in Section 5(c) of the Bidding Procedures and further waives the Committed Financing and Demonstrated Financial Capacity requirements set forth in Sections 5(f) and (i), respectively, of the Bidding Procedures, and (2) incorporates provisions in the documentation of the Transactions, (a) making the Transactions subordinate to and expressly subject to all the terms and conditions in the Operating Agreements, and (b) providing for the assumption by Buyers of all terms and conditions of the Operating Agreements, including but not limited to assumption of all of Cobalt's obligations, right, title and interest in and to the Operating Agreements, solely for purposes of the Transactions, and not any potential future transaction, Anadarko hereby (x) waives its rights, to the extent applicable, pursuant to the preferential rights to purchase set forth in Section 24.2 of the Operating Agreements (the "**Pref Rights**") and (y) agrees that, upon timely receipt of written notice from Cobalt and Venari Offshore, LLC ("**Venari**") under Section 17.2.3 of the Shenandoah Operating Agreement that they have agreed on the proportion in which Cobalt and Venari, respectively, will assume Anadarko's working interest in the leases covered by the Shenandoah Operating Agreement, Anadarko shall, as soon as practicable, undertake all actions required to satisfy Section 17.2.4 of the Shenandoah Operating Agreement, including, without limitation, executing and delivering to Cobalt and Venari, as applicable, all necessary instruments to assign Anadarko's working interest to Cobalt and Venari, as applicable. The foregoing waiver of Pref Rights is a one-time waiver, applicable to the Transactions only, and not any future transaction, and does not constitute a future waiver or a course of dealings or performance under the Operating Agreements. Except for the waiver of Pref Rights as set forth in this paragraph, Anadarko expressly reserves all its rights under the Operating Agreements.

For the avoidance of doubt, the deliverable obligations and waiver of Pref Rights as set forth in the previous paragraph are limited to the Transactions in the Cobalt bankruptcy cases and not any future transaction, and Anadarko expressly reserves its rights to assert any other objections in the bankruptcy cases including but not limited to any objections related to the assumption or assignment of the Operating Agreements, and Cobalt expressly reserves its right to contest any objection Anadarko may file.

Please indicate the agreement of Anadarko Petroleum Corporation by executing where indicated below. This Letter Agreement may be executed by signing the original or a counterpart. If this Letter Agreement is executed in counterparts, all counterparts taken together shall have the same effect as if Cobalt and Anadarko had signed the same Letter Agreement.

[Remainder of page intentionally left blank]

Sincerely,

Cobalt International Energy, L.P.

By: _____

Name: _____

Title: _____

Agreed to and accepted on this ____ day of February, 2018:

Anadarko Petroleum Corporation

By: _____

Name: _____

Title: _____