

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

	)	
In re:	)	Chapter 11
	)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 (CSS)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket Nos. 8, 86 &amp; 103</b>

**CERTIFICATION OF COUNSEL REGARDING DEBTORS’ MOTION FOR  
ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE PAYMENT  
OF CERTAIN PREPETITION AND POSTPETITION TAXES AND FEES  
AND (II) GRANTING RELATED RELIEF**

The undersigned hereby certifies as follows:

1. On June 15, 2020, the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Certain Prepetition and Postpetition Taxes and Fees and (II) Granting Related Relief* [Docket No. 8] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). A proposed form order granting the relief requested in the Motion on a final basis was filed with the Motion (the “Proposed Final Order”).

2. On June 16, 2020 (the “First Day Hearing”), the Court entered the *Interim Order (I) Authorizing the Payment of Certain Prepetition and Postpetition Taxes and Fees and (II) Granting Related Relief* [Docket No. 86] (the “Interim Order”).

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.



3. Pursuant to the Interim Order and the *Notice of (A) Entry of Interim Order (I) Authorizing the Payment of Certain Prepetition and Postpetition Taxes and Fees and (II) Granting Related Relief* [Docket No. 103], objections to the Motion were to be filed by no later than June 30, 2020 at 4:00 p.m. (prevailing Eastern Time) (the “Objection Deadline”). The Objection Deadline was extended to July 12, 2020 at 5:00 p.m. (prevailing Eastern Time) for the Official Committee of Unsecured Creditors (the “Committee”).

4. Prior to the First Day Hearing, the Debtors received informal comments to the proposed form of Interim Order from the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”).

5. Subsequent to the First Day Hearing, the Debtors received informal comments to the Proposed Final Order from (i) the Committee; (ii) the DIP Lenders; and (iii) the Ad Hoc Group of Senior Noteholders (collectively, the “Responses”). Other than the Responses, the Debtors have not received any other informal responses to the Proposed Final Order, and no objection or responsive pleading to the Proposed Final Order has appeared on the Court’s docket in these Chapter 11 cases.

6. The Debtors have revised the Proposed Final Order (the “Revised Proposed Final Order”) to carry over changes made to the Interim Order requested by the U.S. Trustee before the First Day Hearing and to resolve the Responses. The Revised Proposed Final Order is attached hereto as **Exhibit 1**.

7. The Revised Proposed Final Order has been circulated to (i) the U.S. Trustee; (ii) counsel for the Committee; (iii) counsel for the DIP Lenders; and (iv) counsel for the Ad Hoc Group of Senior Noteholders, and the aforementioned parties do not object to the entry of the Revised Proposed Final Order. For the convenience of the Court and all parties in interest, a

redline of the Revised Proposed Final Order marked against the Proposed Final Order is attached hereto as **Exhibit 2**.

*[Remainder of the page intentionally left blank.]*

8. **WHEREFORE**, the Debtors respectfully request that the Proposed Revised Final Order, substantially in the form attached hereto as **Exhibit 1**, be entered at the earliest convenience of the Court.

Dated: July 12, 2020  
Wilmington, Delaware

*/s/ Richard W. Riley*

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**WHITEFORD, TAYLOR & PRESTON LLC<sup>2</sup>**

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*Proposed Co-Counsel to the Debtors and Debtors in Possession*

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<sup>2</sup> Whiteford, Taylor & Preston LLC operates as Whiteford Taylor & Preston L.L.P. in jurisdictions outside of Delaware.

# **EXHIBIT 1**

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

In re:	)	
	)	Chapter 11
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 (CSS)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket Nos. 8, 86 &amp; ___</b>

**FINAL ORDER (I) AUTHORIZING THE  
PAYMENT OF CERTAIN PREPETITION AND  
POSTPETITION TAXES AND FEES AND (II) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”) (a) authorizing the Debtors to remit and pay (or use tax credits to offset) the Taxes and Fees in the ordinary course of business, without regard to whether such obligations accrued or arose before or after the Petition Date, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized to remit and pay (or use tax credits to offset) the Taxes and Fees that accrued prior to the Petition Date and that will become payable during the pendency of these chapter 11 cases, in an aggregate amount not to exceed \$60,000,000.00, and remit and pay (or use tax credits to offset) Taxes and Fees that arise or accrue in the ordinary course of business on a postpetition basis.
3. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.
4. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Taxes and Fees.

5. The Debtors shall maintain a matrix/schedule of amounts directly or indirectly paid, subject to the terms and conditions of this Final Order, including the following information: (a) the names of the payee; (b) the date and amount of the payment; (c) the category or type of payment, as further described and classified in the Motion; and (d) the Debtor or Debtors that made the payment. The Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, the administrative agent under the Debtors' prepetition senior credit facility or, in lieu thereof, counsel thereto, the administrative agent under the Debtors' debtor-in-possession financing facilities or, in lieu thereof, counsel thereto, the ad hoc group of lenders under the Debtors' prepetition senior notes, and the official committee of unsecured creditors (the "Committee") every seven (7) days beginning upon entry of this Final Order.

6. The Debtors shall provide reasonably prompt notice to the Committee the administrative agent under the Debtors' prepetition senior credit facility or, in lieu thereof, counsel thereto, and the administrative agent under the Debtors' debtor-in-possession financing facilities or, in lieu thereof, counsel thereto, and the ad hoc group of lenders under the Debtors' prepetition senior notes of any payment with respect to Assessments, if any, resulting from ongoing Audits.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.



10. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

## **EXHIBIT 2**

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

In re:	)	
	)	Chapter 11
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 ( <del>==</del> CSS)
	)	
Debtors.	)	(Jointly Administ <u>er</u> ation <u>ed</u> <b>Requested</b> )
	)	
	)	Re: Docket Nos. <del>==</del> <b>8, 86</b>

**FINAL ORDER (I) AUTHORIZING THE  
PAYMENT OF CERTAIN PREPETITION AND  
POSTPETITION TAXES AND FEES AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”) (a) authorizing the Debtors to remit and pay (or use tax credits to offset) the Taxes and Fees in the ordinary course of business, without regard to whether such obligations accrued or arose before or after the Petition Date, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.

2. The Debtors are authorized to remit and pay (or use tax credits to offset) the Taxes and Fees that accrued prior to the Petition Date and that will become payable during the pendency of these chapter 11 cases, in an aggregate amount not to exceed \$1960,225000,333000.00, and remit and pay (or use tax credits to offset) Taxes and Fees that arise or accrue in the ordinary course of business on a postpetition basis.

~~3. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing contained in the Motion or this Final Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity, priority, or amount of any particular claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors or any other party-in-interest that~~

~~any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Final Order are valid and the Debtors and all other parties in interest expressly reserve their rights to contest the extent, validity, or perfection, or to seek avoidance of all such liens. Any payment made pursuant to this Final Order should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.~~

3. ~~4.~~ The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

4. ~~5.~~ The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Taxes and Fees.

5. ~~6.~~ The Debtors shall maintain a matrix/schedule of amounts directly or indirectly paid, subject to the terms and conditions of this Final Order, including the following information: (a) the names of the payee; (b) the date and amount of the payment; (c) the category or type of payment, as further described and classified in the Motion; and (d) the Debtor or Debtors that made the payment. The Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, the administrative agent under the Debtors' prepetition senior credit facility or, in lieu

thereof, counsel thereto, the administrative agent under the Debtors' debtor-in-possession financing facilities or, in lieu thereof, counsel thereto, ~~counsel to~~ the ad hoc group of lenders under the Debtors' prepetition senior notes, and ~~any statutory~~ the official committee ~~appointed in these chapter 11 cases~~ of unsecured creditors (the "Committee") every ~~thirty~~ seven (~~30~~7) days beginning upon entry of this Final Order.

6. The Debtors shall provide reasonably prompt notice to the Committee the administrative agent under the Debtors' prepetition senior credit facility or, in lieu thereof, counsel thereto, and the administrative agent under the Debtors' debtor-in-possession financing facilities or, in lieu thereof, counsel thereto, and the ad hoc group of lenders under the Debtors' prepetition senior notes of any payment with respect to Assessments, if any, resulting from ongoing Audits.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

10. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.



<b>Summary report:</b>	
<b>Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 7/12/2020 5:36:58 PM</b>	
<b>Style name:</b> Color (Kirkland Default)	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://DMS.KIRKLAND.COM/LEGAL/69370577/1	
<b>Modified DMS:</b> iw://DMS.KIRKLAND.COM/LEGAL/69370577/7	
<b>Changes:</b>	
Add	15
Delete	16
Move From	0
Move To	0
Table Insert	4
Table Delete	1
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>36</b>