

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

)	
In re:)	Chapter 11
)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , ¹)	Case No. 20-11548 (CSS)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket Nos. 4, 82, 100 & 230

**FINAL ORDER (I) AUTHORIZING
THE DEBTORS TO (A) CONTINUE TO
OPERATE THEIR CASH MANAGEMENT SYSTEM, (B) HONOR
CERTAIN PREPETITION OBLIGATIONS RELATED THERETO,
(C) MAINTAIN EXISTING BUSINESS FORMS, AND (D) PERFORM
INTERCOMPANY TRANSACTIONS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (together, the “Debtors”) for entry of a final order (this “Final Order”) (a) authorizing the Debtors to (i) continue to operate their Cash Management System, (ii) pay any prepetition or postpetition amounts outstanding on account of the Bank Fees, (iii) maintain existing Business Forms in the ordinary course of business, and (iv) continue to perform the Intercompany Transactions consistent with historical practice, 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

¹ 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.

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



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' 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 continue operating the Cash Management System, as summarized in Exhibit 1 attached hereto, honor their prepetition obligations related thereto, and maintain existing Business Forms.
3. The Debtors are further authorized to: (a) continue to use, with the same account numbers, the Bank Accounts, as summarized in Exhibit 2 attached hereto, in existence as of the Petition Date; (b) use, in their present form, all preprinted correspondence and Business Forms (including letterhead) without reference to the Debtors' status as debtors in possession; (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (d) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; and (e) pay the Bank Fees, including any prepetition amounts and any ordinary course Bank Fees incurred in connection with the Bank Accounts, and to otherwise perform their obligations under the documents governing the Bank Accounts.

4. Once the Debtors' existing checks have been used, the Debtors shall, when reordering checks, require the designation "Debtor in Possession" and the corresponding bankruptcy case number on all checks; *provided* that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtor in Possession" legend and the bankruptcy case number on such items within ten (10) days of the date of entry of this Order.

5. The Cash Management Bank is authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

6. Subject to applicable bankruptcy or other law, those certain existing deposit agreements, including the deposit account control agreements, between the Debtors and the Cash Management Bank shall continue to govern the postpetition cash management relationship between the Debtors and the Cash Management Bank, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect.

7. Except as otherwise set forth herein, the Debtors and the Cash Management Bank may, without further order of this Court, agree to and implement changes to the Cash Management System and procedures related thereto in the ordinary course of business, including, without limitation, the closing of Bank Accounts or the opening of new bank accounts; *provided, however*, that the Debtors will notify the ad hoc group of lenders under the Debtors' prepetition senior notes,

and the official committee of unsecured creditors (the "Committee") of any material changes including, but not limited to, the opening and closing of new bank accounts.

8. The relief granted in this Final Order is extended to any new bank account opened by the Debtors in the ordinary course of business after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Cash Management Bank.

9. The bank maintaining all of the Bank Accounts that are provided with notice of this Final Order shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts.

10. The Cash Management Bank is authorized, without further order of this Court, to deduct all applicable fees from the applicable Bank Accounts consistent with historical practice.

11. Subject to the terms set forth herein, any bank, including the Cash Management Bank, may rely upon the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court, and no bank that honors a prepetition check or other item drawn on any account that is the subject of this Final Order (a) at the direction of the Debtors or (b) in a good-faith belief that this Court has authorized such prepetition check or item to be honored shall be deemed to be nor shall be liable to the Debtors or their estates on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Final Order.

12. Any bank, including the Cash Management Bank, are further authorized to honor the Debtors' directions with respect to the opening and closing of any Bank Account and accept

and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; *provided* that the Cash Management Bank shall not have any liability to any party for relying on such representations to the extent such reliance otherwise complies with applicable law.

13. The Debtors and the Cash Management Bank are authorized, in the ordinary course of business, to open any new bank accounts or close any existing Bank Accounts and enter into any ancillary agreements, including new deposit account control agreements, related to the foregoing, as they may deem necessary and appropriate; *provided, however*, that the Debtors shall give notice within fifteen (15) days to the Office of the United States Trustee for the District of Delaware, the ad hoc group of lenders under the Debtors' prepetition senior notes, the administrative agent under the Debtors' prepetition senior credit facility, the administrative agent under the Debtors' debtor-in-possession financing facilities the Committee, and the ad hoc group of lenders under the Debtors' prepetition senior notes (collectively, the "Notice Parties"); *provided, further*, that the Debtors shall open any such new Bank Account at banks that have executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, or at such banks that are willing to immediately execute such an agreement. With respect to the Government Money Market Account, the Debtors shall provide a report on a monthly basis to the Notice Parties disclosing the amount of funds transferred in and out of such account within the previous thirty (30) days and the amount of interest earned within the same period.

14. The Debtors are authorized, but not directed to, to continue the Intercompany Transactions in the ordinary course of business; *provided, however*, that there shall be no intercompany loans from any Debtor to any non-debtor, or from any non-debtor to any Debtor, absent further order of the Court; *provided, further*, that the Debtors shall not satisfy any

prepetition Intercompany Transactions in cash or net any prepetition Intercompany Transactions against postpetition Intercompany Transactions, absent further order of the Court.

15. All postpetition payments from a Debtor under any postpetition Intercompany Transactions authorized hereunder are hereby accorded administrative expense status under section 503(b) of the Bankruptcy Code, which shall be junior in priority to the DIP Superpriority Claims (as defined in the DIP Order).

16. In connection with the Intercompany Transactions, the Debtors shall continue to maintain current records with respect to all transfers so that all Intercompany Transactions may be readily ascertained, traced, and properly recorded on intercompany accounts; *provided* that such records shall distinguish between prepetition and postpetition transactions. The Debtors are authorized to undertake Intercompany Transactions outside the ordinary course of business, including changes to the terms of any intercompany loan, solely to the extent that the Debtors provide at least two (2) business days' advance notice to and receive the written consent of the Notice Parties prior to undertaking any such Intercompany Transactions.

17. The Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of who pays those disbursements.

18. For the bank at which the Debtors hold bank accounts that is party to a Uniform Depository agreement with the Office of the U.S. Trustee, within fifteen (15) days of the date of entry of this Final Order, the Debtors shall (a) contact that bank, (b) provide the bank with each of the Debtors' employer identification numbers and (c) identify each of their bank accounts held at that bank as being held by a debtor in possession in a bankruptcy case.

19. Nothing contained in the Motion or this Final Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of

the Petition Date or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

20. The bank and financial institution 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 bank and financial institution 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.

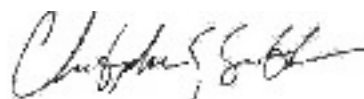
21. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

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

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

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

Dated: July 13th, 2020
Wilmington, Delaware



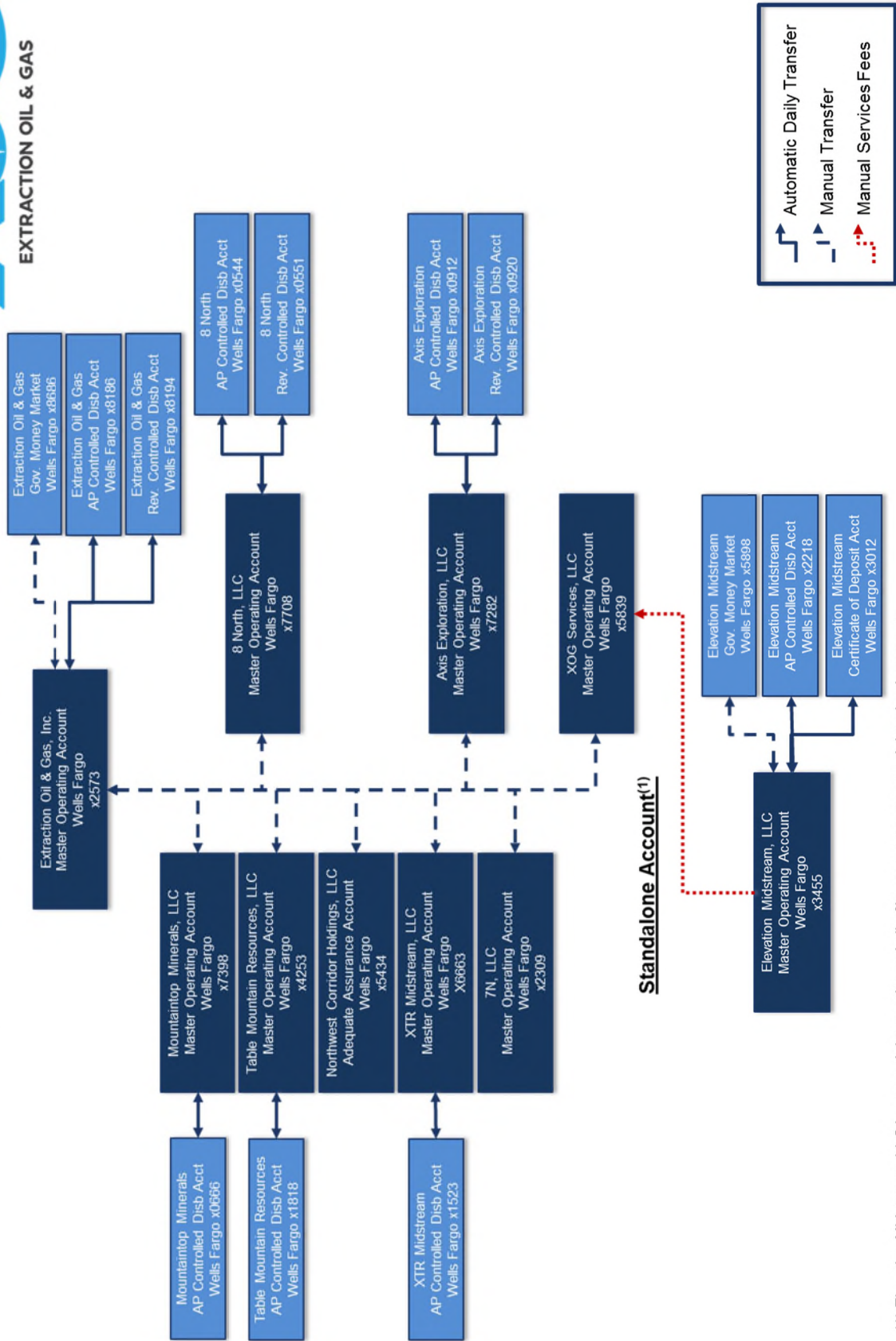
CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Cash Management System Schematic



Extraction Bank Account Structure



(1) Elevation Midstream, LLC is a non-debtor entity and all of its accounts are non-debtor bank accounts.

Exhibit 2**Bank Accounts**

	Debtor	Bank Name	Last 4 Digits of Account No.	Account Type
Cash Management System Accounts				
1.	Extraction Oil & Gas, Inc.	Wells Fargo	2573	Master Operating Account
2.	Extraction Oil & Gas, Inc.	Wells Fargo	8686	Government Money Market Account
3.	Extraction Oil & Gas, Inc.	Wells Fargo	8186	Controlled Disbursement Account
4.	Extraction Oil & Gas, Inc.	Wells Fargo	8194	Controlled Disbursement Account
5.	Mountaintop Minerals, LLC	Wells Fargo	7398	Master Operating Account
6.	Mountaintop Minerals, LLC	Wells Fargo	0666	Controlled Disbursement Account
7.	Table Mountain Resources, LLC	Wells Fargo	4253	Master Operating Account
8.	Table Mountain Resources, LLC	Wells Fargo	1818	Controlled Disbursement Account
9.	Northwest Corridor Holdings, LLC	Wells Fargo	5434	Adequate Assurance Account ¹
10.	XTR Midstream, LLC	Wells Fargo	6663	Master Operating Account
11.	XTR Midstream, LLC	Wells Fargo	1523	Controlled Disbursement Account
12.	7N, LLC	Wells Fargo	2309	Master Operating Account
13.	8 North, LLC	Wells Fargo	7708	Master Operating Account
14.	8 North, LLC	Wells Fargo	0544	Controlled Disbursement Account
15.	8 North, LLC	Wells Fargo	0551	Controlled Disbursement Account
16.	Axis Exploration, LLC	Wells Fargo	7282	Master Operating Account
17.	Axis Exploration, LLC	Wells Fargo	0912	Controlled Disbursement Account
18.	Axis Exploration, LLC	Wells Fargo	0920	Controlled Disbursement Account
19.	XOG Services, LLC	Wells Fargo	5839	Master Operating Account
Non-Debtor Bank Accounts				
20.	Elevation Midstream, LLC	Wells Fargo	3455	Master Operating Account
21.	Elevation Midstream, LLC	Wells Fargo	5898	Government Money Market Account
22.	Elevation Midstream, LLC	Wells Fargo	3012	Certificate of Deposit Account
23.	Elevation Midstream, LLC	Wells Fargo	2218	Controlled Disbursement Account

¹ Formerly a Master Operating Account, repurposed to the Adequate Assurance Account.