

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

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In re:

EXTRACTION OIL & GAS, INC. *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
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) Case No. 20-11548 (CSS)  
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) (Jointly Administered)  
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) **Re: Docket No. 1518**  
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**ORDER (I) APPROVING THE SETTLEMENT BY AND  
AMONG THE DEBTORS AND DCP OPERATING COMPANY, LP,  
(II) AUTHORIZING EXTRACTION OIL & GAS, INC. TO ASSUME THAT  
CERTAIN GAS PURCHASE CONTRACT, AS AMENDED AND RESTATED,  
WITH DCP OPERATING COMPANY, LP, AND (III) 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 an order (this “Order”) (a) approving the settlement between the Debtors and DCP Operating Company, LP (“DCP” and, together with the Debtors, collectively, the “Parties”), attached to the Motion as Exhibit C (the “Settlement Agreement”), and authorizing the Debtors to perform thereunder; (b) authorizing the assumption of the Gas Purchase Contract, as amended and restated; and (c) granting related relief, all as more fully set forth in the Motion; and upon the Owens 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

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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.



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' 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 as set forth herein.
2. The Settlement Agreement attached to the Motion as Exhibit C is hereby approved in its entirety, and the terms and conditions of the Settlement Agreement are incorporated by reference herein as if fully set forth in this Order.
3. The Gas Purchase Contract (which includes for the avoidance of doubt, all exhibits, including that certain Facilities Expansion and Risk Sharing Agreement, dated December 15, 2016 and that certain Facilities Expansion and Risk Sharing Agreement, dated May 15, 2017, attachments, and other documents incorporated therein) is hereby assumed as amended and restated and shall be deemed assumed and effective as of the date of entry of this Order pursuant to section 365(a) of the Bankruptcy Code.
4. The Debtors and the DCP are hereby authorized to enter into, perform under, execute, and deliver the Gas Purchase Contract, as amended and restated, and the Settlement Agreement.

5. Other than the claims specifically addressed and released in the Settlement Agreement, payment of any cure claims and the cure of any nonmonetary defaults under the Gas Purchase Agreement, including full payment of those claims identified as Proof of Claim Number 562 and Proof of Claim Number 573 on the Debtors' Claims Register, shall be reconciled in the ordinary course of the Debtors' and DCP's businesses and nothing in this Order, the Plan or the Confirmation Order shall modify, discharge, reduce, impair or otherwise affect the obligations of the Debtors under and with respect to the Gas Purchase Agreement and all obligations of the Debtors and the Reorganized Debtors, as applicable, arising under or pursuant to the Gas Purchase Agreement shall survive unimpaired and unaffected, including, without limitation, that the types of offsets and deductions under the Gas Purchase Agreement and the process thereto, including, without limitation, prior period adjustments, are authorized in all respects to continue in the ordinary course of dealings between DCP and Extraction.

6. The Gas Purchase Agreement, as amended and restated, shall not be subject to rejection under section 365 of the Bankruptcy Code in the Debtors' chapter 11 cases, jointly administered under *In re Extraction Oil & Gas, Inc., et. al*, Case No. 20-11548 (CSS).

7. The Settlement Claim (as defined in the Settlement Agreement) is Allowed, without the need to file a proof of claim, as a Class 6 General Unsecured Claim (as defined in the Plan) against Extraction and shall not be subject to or deemed subject to any objections, defenses, setoffs, recoupments, disallowance, subordination, impairment or infirmity of any kind, including under sections 502(d), 502(j), and 510(b) of the Bankruptcy Code or any similar provision under the Bankruptcy Code or applicable law.

8. Upon entry of this Order, (a) the Rejection Motion, solely as it relates to DCP and any of its agreements, is deemed withdrawn with prejudice, and (b) the Objection is deemed moot.

9. The Debtors are authorized to enter into, perform, execute, and deliver all other documents, and take all other actions, necessary to immediately effectuate the settlement between the Debtors and DCP, in accordance with the terms, conditions, and agreements related thereto, all of which are hereby approved, and to otherwise effectuate the relief granted in this Order in accordance with the Motion.

10. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

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

Dated: January 5, 2021



Brendan Linehan Shannon  
United States Bankruptcy Judge