

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

IN RE:	§	CHAPTER 11
	§	
EXTRACTION OIL & GAS, INC., et al.,	§	CASE NO. 20-11548 (CSS)
	§	(JOINTLY ADMINISTERED)
	§	
REORGANIZED DEBTORS. <sup>1</sup>	§	<b>Objection Deadline: March 26, 2021 at 4:00 p.m. (ET)</b>

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**SUMMARY COVER SHEET TO THE  
SECOND MONTHLY FEE APPLICATION OF STOUT RISIUS ROSS,  
LLC FOR ALLOWANCE AND PAYMENT OF FEES AND EXPENSES AS  
VALUATION ADVISOR TO THE DEBTORS FOR THE PERIOD FROM  
OCTOBER 1, 2020 THROUGH OCTOBER 31, 2020**

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<b>SECOND MONTHLY FEE APPLICATION SUMMARY STOUT RISIUS ROSS, LLC</b>	
<b>Name of Applicant</b>	<b>Stout Risius Ross, LLC</b>
Professional Role	Valuation Advisor to the Debtors
Interim or Final Application	Interim
Date of Retention	September 2, 2020
Time Period Covered in this Application	October 1, 2020 — October 31, 2020
Time Period Covered in Prior Applications	September 2, 2020 – September 30, 2020
Total Amounts Applied for Approval in Prior Applications	\$9,830.31
Amount of Retainer Received in Case	\$25,000.00
Amount of Compensation Sought as Actual, Reasonable, and Necessary in this Application	\$4,210.00 (80% of \$5,262.50)

1. The Reorganized Debtors in these Chapter 11 cases, along with the last four digits of each Reorganized 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 Reorganized Debtors' principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

<b>SECOND MONTHLY FEE APPLICATION SUMMARY</b> <b>STOUT RISIUS ROSS, LLC</b>	
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary in this Application	\$197.34
Total Amount for Payment in this Application Credited Against Retainer Received	<b>\$4,407.34</b>
Number of Hours of Professionals in this Application	17.75 hours
Average Hourly Rate for Professionals in this Application	\$296.48

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EXTRACTION OIL & GAS, INC., et al.,	§	CASE NO. 20-11548 (CSS)
	§	(JOINTLY ADMINISTERED)
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REORGANIZED DEBTORS. <sup>1</sup>	§	<b>Objection Deadline: March 26, 2021 at 4:00 p.m. (ET)</b>

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**SECOND MONTHLY FEE APPLICATION OF STOUT RISIUS ROSS,  
LLC FOR ALLOWANCE AND PAYMENT OF FEES AND EXPENSES AS  
VALUATION ADVISOR TO THE DEBTORS FOR THE PERIOD FROM  
OCTOBER 1, 2020 THROUGH OCTOBER 31, 2020**

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Stout Risius Ross, LLC (“Stout”), valuation advisor to Extraction Oil & Gas, Inc., et al. (the “Debtors”) submits this *Second Fee Application of Stout Risius Ross, LLC for Allowance and Payment of Fees and Expenses as Valuation Advisor to the Debtors for the Period from October 1, 2020 through October 31, 2020* (the “Application”) for allowance of fees in the amount of \$5,262,50, less 20% holdback amount of \$1,052.50, resulting in 80% of fees for payment of \$4,210.00, plus reimbursement of expenses in the amount of \$197.34, for the period from October 1, 2020 through October 31, 2020 (the “Second Application Period”). In support of this Application, Stout respectfully represents the following:

**I. Jurisdiction and Venue**

1. This Court has jurisdiction to consider this Application under the provisions of 28 U.S.C. §§ 157 and 1334.

2. Venue of this proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

1. The Reorganized Debtors in these Chapter 11 cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

## II. Factual Background

3. Extraction Oil & Gas, Inc., et al., the debtors and debtors in possession, filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code (the “Code” or the “Bankruptcy Code”) on June 14, 2020.

4. The Debtors are operating as debtors-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

5. The Debtors retained Stout in these Chapter 11 cases effective as of September 2, 2020 as their valuation advisor in connection with fresh start accounting valuation analysis.

6. On December 1, 2020, the Court entered the *Order Approving the Debtors’ Application for an Order (i) Authorizing the Employment and Retention of Stout Risius Ross, LLC as Valuation Advisor to the Debtors Effective as of September 2, 2020 and (ii) Granting Related Relief* [Docket No. 1211].

7. Stout seeks (i) approval of fees of \$5,262.50 on account of actual, reasonable, and necessary professional services rendered to the Debtors by Stout during the Second Application Period; (ii) and payment of fees of \$4,210.00 (after reduction of 20% holdback amount of \$1,052.50) and (iii) payment of \$197.34 for reimbursement of expenses incurred by Stout during the Second Application Period, for an aggregate total payment of \$4,407.34 for the Second Application Period.

8. The compensation requested in connection with the services provided during the Second Application Period are supported by the following Exhibits annexed hereto:

EXHIBIT ##	EXHIBIT DESCRIPTION
A1	Summary of Stout timekeepers included in this Application.
A2	Expenses for which allowance is sought in this Application.
A3	Fee Statements — Stout’s detailed records of fees incurred throughout the Second Application Period and narrative descriptions of the specific professional services performed.

### FEES AND EXPENSES

9. A summary of Stout’s hourly fees by timekeeper is attached as **Exhibit A1**, expenses for which allowance is sought is attached as **Exhibit A2**, and detailed records of all fees incurred during the Second Application Period are included with the fee statements attached as **Exhibit A3**.

10. During the Second Application Period, Stout rendered services that were both necessary and beneficial to the Debtors. Compensation for the foregoing services as requested is commensurate with the complexity, importance, and nature of the problems, issues, or tasks involved. The professional services were performed timely, in an efficient manner, and without duplication of work performed by the Debtors’ other advisors.

11. Bankruptcy Code § 330 authorizes the Court to award professional persons employed pursuant to § 1103 reasonable compensation for actual and necessary services rendered and reimbursement for expenses incurred. See 11 U.S.C. § 330.

12. The professional services rendered by Stout during the Second Application Period required a high degree of professional competence and expertise. Stout submits that the services rendered to the Debtors were performed efficiently and effectively, and that the results obtained have provided tangible, identifiable, and material benefits to the Debtors’ estates.

13. The rates charged by the Stout professionals in these Chapter 11 cases are the same rates charged by Stout in connection with non-bankruptcy work. The professional fees sought

herein are based upon Stout's normal hourly rates for services of this kind. Stout respectfully submits that the professional fees sought herein are not unusual given the magnitude and complexity of these cases and are commensurate with fees Stout has been awarded in other cases.

14. Stout submits that the fees and expenses for which it seeks compensation and reimbursement in this Application are not excessive and are commensurate with the rates awarded in similar cases in this district for similar services rendered and results obtained. The fees requested by Stout are more fully described in the fee statements attached hereto as **Exhibit A3**. After taking into consideration the time and labor spent thus far, and the nature and extent of the representation, Stout believes the allowance prayed for herein is reasonable and should be approved.

15. No prior application has been made in this or in any other Court for the relief requested herein for the Second Application Period.

### **SERVICES**

16. As set forth in the charts attached hereto as **Exhibit A1** and **Exhibit A3**, Stout professionals expended a total of 17.75 hours during the Second Application Period. The specific details of the work performed by Stout during the Second Application Period are set forth in the chart attached hereto as **Exhibit A3**. Stout has charged its normal hourly rates for work of this character.<sup>2</sup> The reasonable value of the services rendered by Stout to the Debtors during the Second Application Period is \$5,262.50.<sup>3</sup>

17. In accordance with the factors enumerated in Code § 330, Stout respectfully submits that the foregoing amounts requested by Stout are fair and reasonable given (a) the

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<sup>2</sup> Stout customarily establishes new hourly rates at the beginning of each fiscal year, on October 1<sup>st</sup>. As such, Stout applied updated hourly billing rates to the time charged to this matter beginning on October 1, 2020.

<sup>3</sup> This amount does not include \$197.34 in expense reimbursement. See **Exhibit A2**.

complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services for non-bankruptcy cases. Moreover, Stout has reviewed the requirements set forth in Bankruptcy Local Rule 2016-2 and believes this Application complies with such Rule.

### **EXPENSES**

18. As set forth in **Exhibit A2**, a total of \$197.34 of expenses were incurred during the Second Application Period.

### **REQUEST FOR ALLOWANCE OF FEES AND EXPENSES**

19. Section 330 of the Bankruptcy Code grants bankruptcy courts wide discretion to award “reasonable compensation” to professionals employed by the estate. 11U.S.C. §330(a)(1)(A). Section 330 sets forth the criteria for the award of compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded . . . the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including:

- a. the time spent on such services; the rates charged for such services;
- b. whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- c. whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- d. with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- e. whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

**NO PRIOR REQUEST**

20. Except for the filing of the prior fee statements, no prior application for the relief requested herein has been made to this or any other court.

**CONCLUSION**

**WHEREFORE**, Stout respectfully requests that the Court enter an order approving the allowance of fees totaling \$5,262.50 as compensation for professional services rendered to the Debtors during the Second Application Period, and payment of fees totaling \$4,210.00 (after a reduction of a 20% holdback amount of \$1,052.50), plus \$197.34 as reimbursement of expenses incurred in providing these services during the Second Application Period, resulting in a total payment of \$4,407.34. Stout further requests that the total payment of \$4,407.34 under this Application will be offset against an initial retainer balance received of \$25,000.00, resulting in a remaining retainer balance of \$12,657.34 after the Second Application Period. Stout respectfully requests such other and further relief to which it is entitled at law or in equity.

*[Remainder of page intentionally left blank]*

Dated: March 5, 2021

Respectfully submitted,

**Stout Risius Ross, LLC**

*Shishir R. Khetan*

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**Shishir R. Khetan, CFA**

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Houston, TX 77002

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**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)
Reorganized Debtors.	)	(Jointly Administered)
	)	Objection Deadline: March 26, 2021 at 4:00 p.m. (ET)

**NOTICE OF SECOND MONTHLY FEE APPLICATION OF STOUT RISIUS  
ROSS, LLC FOR ALLOWANCE AND PAYMENT OF FEES AND EXPENSES  
AS VALUATION ADVISOR TO THE DEBTORS FOR THE PERIOD FROM  
OCTOBER 1, 2020 THROUGH OCTOBER 31, 2020**

PLEASE TAKE NOTICE that Stout Risius Ross, LLC (the “Applicant”) has filed its **Second Monthly Fee Application of Stout Risius Ross, LLC for Allowance and Payment of Fees and Expenses as Valuation Advisor to the Debtors for the Period from October 1, 2020 Through October 31, 2020** (the “Application”), with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware 19801 (the “Court”).

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Application must be made in accordance with the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Docket No. 270] (the “Interim Compensation Order”) entered on July 15, 2020 and must be filed with the Clerk of the Court, and be served upon and received by: (i) the Reorganized Debtors, Extraction Oil & Gas, Inc., 370 17th Street, Suite 5300, Denver, Colorado 80202, Attn: Eric

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<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

Christ; (ii) counsel to the Reorganized Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Christopher Marcus, P.C., Allyson Smith Weinhouse, and Ciara Foster; (iii) co-counsel to the Reorganized Debtors, Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Marc R. Abrams, Richard W. Riley, and Stephen B. Gerald; (iv) counsel to the debtor in possession financing lenders, Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002, Attn: Dewey J. Gonsoulin Jr., William A. (Trey) Wood III, and Heather Brown; (v) counsel to the ad hoc group of lenders under the Debtors' prepetition senior notes, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019, Attn: Andrew Rosenberg, Alice Belisle Eaton, Christopher Hopkins, Douglas Keeton, and Omid Rahnama; and (vi) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Richard L. Schepacarter; (vii) counsel to the official committee of unsecured creditors (the "Committee"), Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, NY 10038, Attn: Kristopher M. Hansen, Frank A. Merola, Erez E. Gilad and Jason M. Pierce, and (viii) Delaware counsel to the Committee, Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, DE 19801, Attn: G. David Dean and Andrew J. Roth-Moore (collectively, the "Notice Parties"), so as to be received no later than **March 26, 2021 at 4:00 p.m. (ET)** (the "Objection Deadline"). Only those objections that are timely filed, served and received will be considered by the Court.

**PLEASE TAKE FURTHER NOTICE** that if no objections are received by the Notice Parties prior to the Objection Deadline, in accordance with the Interim Compensation Order, the Applicant may be paid certain fees and expenses pursuant to the terms of the Interim Compensation Order without further notice or hearing. If an objection is properly filed and served and such objection is not otherwise resolved, or the Court determines that a hearing should be held

in respect of the Application, a hearing will be held at a time convenient to the Court. Only those objections made in writing and timely filed, served and received in accordance with the Interim Compensation Order will be considered by the Court at the hearing.

Dated: March 5, 2021  
Wilmington, Delaware

*/s/ Richard W. Riley*

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

Marc R. Abrams (DE No. 955)  
Richard W. Riley (DE No. 4052)  
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- and -

**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**

Christopher Marcus, P.C. (admitted *pro hac vice*)  
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*Co-Counsel to the Reorganized Debtors*

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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 A**

**EXHIBIT A1****Timekeeper Summary****EXHIBIT A1**

<b>Professional</b>	<b>Title</b>	<b>Total Billed Hours</b>	<b>Hourly Rate</b>	<b>Total Billed Amount</b>
Shishir Khetan	Managing Director	2.00	\$ 575.00	\$ 1,150.00
Alan Harp	Managing Director	1.75	550.00	962.50
Atiba Henry	Vice President	5.00	335.00	1,675.00
Austin Hassett	Analyst	7.00	175.00	1,225.00
Michael Kurmadas	Intern	2.00	125.00	250.00
<b>Grand Total</b>		<b>17.75</b>		<b>\$ 5,262.50</b>

**EXHIBIT A2**

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**Expenses**

Expenses (including communications, supplies, general financial and industry databases, copying, and charges for administrative services, etc.) billed at a rate equal to 3.75% of the related professional fees.

**\$197.34**

**EXHIBIT A3****Fee Details**

<b>Date</b>	<b>Professional</b>	<b>Memo</b>	<b>Hours To Bill</b>	<b>Rate To Bill</b>	<b>Amount To Bill</b>
10/1/2020	Atiba Henry	Project admin and research related to valuation comps	2.00	\$ 335.00	\$ 670.00
10/1/2020	Austin Hassett	spreading financial statements, production, reserves	3.25	175.00	568.75
10/2/2020	Austin Hassett	production and reserve information	1.50	175.00	262.50
10/5/2020	Alan Harp	client call, prep in advance of call with XOG	0.50	550.00	275.00
10/5/2020	Atiba Henry	meeting with XOG and Stout teams	1.00	335.00	335.00
10/5/2020	Austin Hassett	meeting with Extractions, organized notes/action items to send to Extraction	0.75	175.00	131.25
10/5/2020	Shishir Khetan	bi-weekly discussion with XOG and Stout teams	0.50	575.00	287.50
10/9/2020	Austin Hassett	spread reserves data	0.50	175.00	87.50
10/13/2020	Austin Hassett	created spread exhibits for check	0.25	175.00	43.75
10/13/2020	Shishir Khetan	engagement management and discussion with Stout team	0.50	575.00	287.50
10/19/2020	Alan Harp	Prep for and client (XOG) bi-weekly call	1.00	550.00	550.00
10/19/2020	Atiba Henry	Meeting with client (XOG)	1.00	335.00	335.00
10/19/2020	Austin Hassett	bi-weekly meeting (XOG) and organized meeting notes	0.50	175.00	87.50
10/19/2020	Shishir Khetan	bi-weekly client call with XOG	0.50	575.00	287.50
10/21/2020	Michael Kurmadas	spread financial statements	2.00	125.00	250.00
10/22/2020	Atiba Henry	Analysis related to preliminary valuation	1.00	335.00	335.00
10/22/2020	Austin Hassett	reviewed spreads check	0.25	175.00	43.75
10/26/2020	Shishir Khetan	engagement management related to court filing	0.50	575.00	287.50
10/27/2020	Alan Harp	linefill inventory issue discussion	0.25	550.00	137.50
<b>Total</b>			<b>17.75</b>		<b>\$ 5,262.50</b>