

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

In re:

8 North, LLC,¹

Reorganized Debtor.

)
) Chapter 11
)

) Case No. 20-11550 (CSS)
)

) (Formerly Jointly Administered under
) Lead Case: Extraction Oil & Gas, Inc.,
) Case No. 20-11547 (CSS))
)

) Hearing Date: December 7, 2021 @ 2:00 p.m. (ET)

) Response Deadline: November 15, 2021 @ 4:00 p.m. (ET)
)

**REORGANIZED DEBTOR'S OBJECTION TO PROOF OF CLAIM NO. 1355 FILED BY
RENEGADE OIL AND GAS COMPANY LLC**

THIS IS AN OBJECTION TO YOUR CLAIM. THE OBJECTING PARTY IS ASKING THE COURT TO DISALLOW THE CLAIM THAT YOU FILED IN THESE BANKRUPTCY CASES. YOU SHOULD IMMEDIATELY CONTACT THE OBJECTING PARTY TO RESOLVE THE DISPUTE. IF YOU DO NOT REACH AN AGREEMENT, YOU MUST FILE A RESPONSE TO THIS OBJECTION AND SEND A COPY OF YOUR RESPONSE TO THE OBJECTING PARTY. YOUR RESPONSE MUST STATE WHY THE OBJECTION IS NOT VALID.

A HEARING WILL BE CONDUCTED ON THIS MATTER ON DECEMBER 7, 2021 AT 2:00 P.M. PREVAILING EASTERN TIME

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

The above-captioned reorganized debtor (the “Reorganized Debtor”) hereby objects to Proof of Claim No. 1355 (the “Proof of Claim”) filed by Renegade Oil and Gas Company LLC (“Renegade”). A true and correct copy of the Proof of Claim is attached as **Exhibit A**. In support of this objection, the Reorganized Debtor relies upon the declaration of Allyson Boies (the “Boies”

¹ 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 5200, Denver, Colorado 80202. On October 25, 2021, the Court entered an order [Docket No. 2070] closing the chapter 11 cases of the Reorganized Debtors other than Case No. 20-11550 (CSS).



2011550211101000000000003

Declaration”) attached as **Exhibit B**. In further support, the Reorganized Debtor respectfully represents as follows:

PRELIMINARY STATEMENT

1. In the Proof of Claim, Renegade asserts that Reorganized Debtor Axis Exploration, LLC (“Axis”) overspent its estimate for drilling and completing the Houlihan 4-64 22A 21-1 well and that such alleged overspend is subject to an audit. The Proof of Claim also alleges that Axis breached its contract with Renegade. Notably, the Proof of Claim does not provide any support to the allegation that a contract was breached by Axis. Because the Proof of Claim relates solely to an alleged overspend in excess of the estimate and contains no factual support to the breach of contract allegation, the Proof of Claim is invalid and should be disallowed and expunged.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. The Reorganized Debtor confirms its consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Local Rules”), to the entry of a final order by the Court in connection with this objection to the extent it is later determined that the Court, absent party consent, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a) and 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Bankruptcy Rules 3003 and 3007, and Bankruptcy Local Rule 3007-1.

FACTUAL BACKGROUND

5. Axis, along with the Reorganized Debtors, drills wells to extract hydrocarbons including oil and natural gas. As a result of this, Axis and the Reorganized Debtors are parties to certain obligations arising under common law with certain working interest partners, such as Renegade, to operate their wells for development and production. Axis, as operator, provides these working interest partners with drilling cost estimates, for which the working interest partners are responsible if the working interest owner elects to participate in the well. Often, estimates do not fully predict the actual cost of the well development, and, as consistent with industry practice, the working interest partners are responsible for the “overspend” amount in addition to the estimated costs. Working interest owners, when deciding whether to participate in a well, know that the operator’s estimated costs to drill a well are just that – an estimate. The uncertainty as to the actual ultimate cost to drill and whether the well will be productive enough to justify the expense of the well are the central considerations a working interest owner must weigh when deciding whether or not to participate in a well.

RELIEF REQUESTED

6. The Reorganized Debtor requests that the Court enter the Proposed Order attached as **Exhibit C**, (i) sustaining the objection to the Proof of Claim, (ii) disallowing and expunging the Proof of Claim for all purposes, and (iii) authorizing the Reorganized Debtor’s Court-appointed claims and noticing agent to reflect the disallowance and expungement of the Proof of Claim on the official Claims Register.

BASIS FOR OBJECTION

7. “Not all claims have equal merit; neither will the filing of a proof of claim automatically result in payment of that claim from the estate.” *Torres v. Asset Acceptance, LLC*, 96 F. Supp. 3d 541, 544 (E.D. Pa. 2015). Instead, once “a proof of claim has been filed, the court must determine whether the claim is ‘allowed’ under [section] 502(a) of the Bankruptcy Code.” *Id.* (quoting *Travelers Cas. & Sur. Co. of Am. v. Pac. Gas & Elec. Co.*, 549 U.S. 443, 449 (2007)). “Upon objection, the bankruptcy court decides whether to allow or disallow the claim.” *Id.* “One reason for disallowance is that ‘such claim is unenforceable against the debtor . . . under any agreement or applicable law.’” *Id.* (quoting 11 U.S.C. § 502(b)(1)).

8. The burden of proof for determining the validity of claims rests on different parties at different stages of the objection process. As explained by the United States Court of Appeals for the Third Circuit:

Initially, the claimant must allege facts sufficient to support the claim. If the averments in his filed claim meet this standard of sufficiency, it is ‘*prima facie*’ valid [citations omitted]. In other words, a claim that alleges facts sufficient to support legal liability to the claimant satisfies the claimants’ initial obligation to go forward. The burden of going forward then shifts to the objector to produce evidence sufficient to negate the *prima facie* validity of the filed claim. . . . If the objector produces sufficient evidence to negate one or more of the sworn facts in the proof of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence.

In re Allegheny Int’l Inc., 954 F.2d 167, 173-74 (3d. Cir. 1992) (citation omitted). Once the *prima facie* validity of a claim is rebutted, “it is for the claimant to prove his claim, not for the objector to disprove it.” *In re Kahn*, 114 B.R. 40, 44 (Bankr. S.D.N.Y. 1990) (citations omitted).

9. Renegade’s Proof of Claim should be disallowed and expunged. **First**, an alleged overspend on an estimate with minimal support is not sufficient grounds for a valid claim. Axis, as operator, provides working interest partners with drilling cost estimates, for which the working

interest partners are responsible. Often, estimates do not fully predict the actual cost of the well development, and, as consistent with industry practice, the working interest partners are responsible for the “overspend” amount in addition to the estimated costs. Further, Renegade does not even provide an amount in the Proof of Claim but notes that it is subject to an audit. *Second*, in the Proof of Claim, Renegade alleges a breach of contract against Axis, but does not provide any support of the merits of the claim, or any other evidence that would be deemed to be sufficient. Accordingly, the Proof of claim should be disallowed and expunged.

RESERVATION OF RIGHTS

10. The Reorganized Debtor reserves the right to amend, modify, or supplement this objection upon response from any interested party.

NOTICE

11. Notice of the hearing on the relief requested in this objection will be provided by the Reorganized Debtor in accordance and compliance with Bankruptcy Rules 4001 and 9014, as well as the Bankruptcy Local Rules, and is sufficient under the circumstances. Without limiting the foregoing, due notice will be afforded, by first class mail to parties-in-interest, including: (a) the U.S. Trustee for the District of Delaware; (b) the administrative agent under the Reorganized Debtors’ prepetition senior credit facility or, in lieu thereof, counsel thereto; (c) the lenders under the Reorganized Debtors’ prepetition senior credit facility or, in lieu thereof, counsel thereto; (d) the indenture trustee for the Reorganized Debtors’ prepetition senior notes or, in lieu thereof, counsel thereto; (e) the holders of the Reorganized Debtors’ prepetition senior notes or, in lieu thereof, counsel thereto; (f) the ad hoc group of holders of the Reorganized Debtors’ preferred equity or, in lieu thereof, counsel thereto; (g) the United States Attorney’s Office for the District of Delaware; (h) the Internal Revenue Service; (i) the United States Securities and Exchange Commission; (j) the state attorneys general for states in which the Reorganized Debtors conduct

business; (k) the holders of the Disputed Claims; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Reorganized Debtor believes, in light of the relief requested, no other or further notice is needed.

CONCLUSION

12. Renegade's Proof of Claim does not provide sufficient evidence, other than unsubstantiated claims, to merit a valid claim. For the reasons stated, the Reorganized Debtor respectfully requests that the Court disallow and expunge the Proof of Claim.

Dated: November 1, 2021
Wilmington, Delaware

/s/ Stephen B. Gerald

WHITEFORD, TAYLOR & PRESTON LLC²

Marc R. Abrams (DE No. 955)

Richard W. Riley (DE No. 4052)

Stephen B. Gerald (DE No. 5857)

The Renaissance Centre

405 North King Street, Suite 500

Wilmington, Delaware 19801

Telephone: (302) 353-4144

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sgerald@wtplaw.com

Co-Counsel to Reorganized Debtors

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

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

In re:)	
)	Chapter 11
8 North, LLC, ¹)	
)	Case No. 20-11550 (CSS)
Reorganized Debtor.)	
)	(Formerly Jointly Administered under
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**NOTICE OF REORGANIZED DEBTOR'S OBJECTION TO
PROOF OF CLAIM NO. 1355 FILED BY RENEGADE OIL AND GAS COMPANY LLC**

TO: Renegade Oil and Gas Company LLC
ATTN: JB Condill, CFO
6155 S Main St Suite 225
Aurora, CO 80016

PLEASE TAKE NOTICE that the Reorganized Debtor has filed the **Reorganized Debtor's Objection to Proof of Claim No. 1355 Filed by Renegade Oil and Gas Company LLC** (the "Objection") with the United States Bankruptcy Court for the District of Delaware (the "Court"). The Objection seeks to alter your rights by disallowing and expunging your claim.

PLEASE TAKE FURTHER NOTICE that you are required to file a response to the Objection on or before **November 15, 2021 at 4:00 p.m. (ET)** with the Clerk of the Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must also serve a copy of the response upon the undersigned counsel for the Reorganized Debtors.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

¹ 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 5200, Denver, Colorado 80202. On October 25, 2021, the Court entered an order [Docket No. 2070] closing the chapter 11 cases of the Reorganized Debtors other than Case No. 20-11550 (CSS).

PLEASE TAKE FURTHER NOTICE, IF A RESPONSE IS FILED, A HEARING (THE “HEARING”) ON THE OBJECTION WILL BE HELD ON **DECEMBER 7, 2021 AT 2:00 P.M. (ET)** BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI, UNITED STATES BANKRUPTCY JUDGE, UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FILE A RESPONSE TO THE OBJECTION, YOU SHOULD BE PREPARED TO ARGUE THAT RESPONSE AT THE HEARING. YOU NEED NOT APPEAR AT THE HEARING IF YOU DO NOT OBJECT TO THE RELIEF REQUESTED.

PLEASE TAKE FURTHER NOTICE THAT THE HEARING MAY BE CONTINUED FROM TIME TO TIME UPON WRITTEN NOTICE TO YOU OR AS DECLARED ORALLY AT THE HEARING.

Dated: November 1, 2021
Wilmington, Delaware

/s/ Stephen B. Gerald

WHITEFORD, TAYLOR & PRESTON LLC²

Marc R. Abrams (DE No. 955)
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Co-Counsel to Reorganized Debtors

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Exhibit A

(Proof of Claim)

Fill in this information to identify the case:

Debtor Axis Exploration, LLC

United States Bankruptcy Court for the: _____ District of Delaware
(State)

Case number 20-11551

Official Form 410
Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>RENEGADE OIL AND GAS COMPANY LLC</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? <u>RENEGADE OIL AND GAS COMPANY LLC</u> <u>6155 S MAIN ST STE 225</u> <u>AURORA, CO 80016-5365</u> Federal Rule of Bankruptcy Procedure (FRBP) 2002(g) Contact phone _____ Contact email <u>jbcrog@aol.com</u>	Where should payments to the creditor be sent? (if different) Contact phone _____ Contact email _____ Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6.	Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7.	How much is the claim? \$ <u>Ongoing</u>	Does this amount include interest or other charges? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>Non Op Working Interest</u>	
9.	Is all or part of the claim secured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable	
10.	Is this claim based on a lease? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____	
11.	Is this claim subject to a right of setoff? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____	



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Amount entitled to priority

\$ _____

☐ Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ _____

☐ Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/14/2020

MM / DD / YYYY

/s/JB Condill

Signature

Print the name of the person who is completing and signing this claim:

Name JB Condill

First name

Middle name

Last name

Title CFOCompany Renegade Oil and Gas Company, LLC

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____

Email _____



Case 20-11550-CSS Doc 13-2 Filed 11/01/21 Page 5 of 8
KCC ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (866) 571-1791 | International (781) 575-2049

Debtor: 20-11551 - Axis Exploration, LLC District: District of Delaware		
Creditor: RENEGADE OIL AND GAS COMPANY LLC 6155 S MAIN ST STE 225 AURORA, CO, 80016-5365 Phone: Phone 2: Fax: Email: jbcrog@aol.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Creditor	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: Non Op Working Interest	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: Ongoing	Includes Interest or Charges: No	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: Yes Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: JB Condill on 14-Aug-2020 11:07:28 a.m. Eastern Time Title: CFO Company: Renegade Oil and Gas Company, LLC		

Renegade claims a breach of contract by Axis and that monies are owed to Renegade.

The contract is an Authority for Expenditure between the parties and is attached.

Axis estimated the cost of drilling and completing the Houlihan 4-64 22A 21-1 well at \$7,491,857.00.

A summary of the billings from Axis to Renegade and the calculation of the total expenditures is attached.

Axis billed/spent \$12,627,855.00 to drill and complete the Houlihan 4-64 22A 21-1 well.

Axis overbilled/overspent the estimate by \$5,135,998.00, or 68.55%.

The exact amount due from Axis to Renegade will be determined by an audit.



Authority For Expenditure

Property/Well Name **HOULIHAN 4-84 22A 21-1**AFE # **221709**Legal **SENE 22-4S-84W**County **Arapahoe**State **CO**API # **06-005-07279**Depth **17,547**Operator **Bison Exploration**

Intangible Drilling		Gross Cost
981 IDC		
Casing Crew	981.04	22,000
Cementing / Cementing Services	981.05	132,000
Contract Labor / Roustabout	981.11	5,000
Disposal Services	981.12	60,000
Environmental / Health / Safety	981.15	13,000
Equipment Rental - Surface	981.16	30,000
Equipment Rental - Downhole	981.17	33,000
Fishing Tools & Services	981.18	3,600
Inspection / Testing	981.22	7,200
Insurance	981.23	28,321
Location / Roads / Reclamation	981.24	380,000
Supervision / Foreman	981.31	14,800
Supervision - Engineer / Geologic	981.33	-
Trucking / Transportation	981.35	15,000
Water	981.40	3,760
Electric	981.47	3,000
Surveys - Safety / Bottom Hole	981.60	-
Crane / Location Rentals	981.61	11,600
Coring & Analysis	981.62	-
Directional Guide & Services	981.63	108,000
Drill Bits	981.64	31,894
Drill Stem Test	981.65	-
Drilling Contract	981.66	178,000
Fluid / Power / Electricity	981.67	30,800
Labor / Clean & Drift	981.68	11,200
Lease / Title	981.69	10,000
Mud / Chemicals / Mud Water	981.70	125,200
Mud Logging	981.71	5,000
Open Hole Logs / Wireline	981.72	5,600
Pig Metal / Damages	981.73	226,000
Spill Control	981.74	45,500
Surface Damages	981.75	25,000
Surveys / Permits	981.76	10,000
Valves / Fittings / Tools	981.77	1,500
Welding	981.78	1,500
Well Control / Rotating Head	981.79	3,780
Non-Operated	981.80	-
Drilling Overhead	981.82	-
Plug & Abandon	981.99	-

Intangible Completion		Gross Cost
982 ICC		
Cased Hole Logging / Perforating	982.05	281,500
Casing Crew	982.04	-
Cement / Cementing Services	982.06	-
Coil Tubing Unit	982.08	-
Completion Fluids	982.07	20,000
Completion Tools / Service	982.08	40,000
Wireline Service	982.10	11,000
Contract Labor / Roustabout	982.11	20,000
Disposal Services	982.12	117,300
Environmental / Health / Safety	982.15	1,800
Equipment Rental	982.16	51,970
Fishing Tools & Service	982.18	-
Flow Testing	982.19	68,225
Gas Seals Connection	982.21	75,000
Inspection / Testing	982.22	2,800
Location / Roads / Reclamation	982.24	22,500
Shooting Unit	982.30	27,500
Supervision / Foreman	982.31	12,000
Trucking / Transportation	982.35	40,000
Water Purchase / Hauling	982.41	184,780
Water Storage / Tank Rental	982.42	208,320
Water Treatment / Heating	982.43	133,400
Wellbore Integrity	982.44	100,000
Workover Rig	982.46	80,000
Stimulation / Fracturing	982.80	3,040,000
Non-Operated	982.90	-
Completion Overhead	982.92	-

Tangible Completion		Gross Cost
984 TCC		
Pumper Lift	984.25	-
Tubing	984.37	15,382
Wellhead / Valves / Fittings	984.45	19,000
Downhole Pump	984.48	-
Pumping Unit	984.49	-
Rods / Bows / Guides / Couplings	984.50	-
Production Packer / Anchor	984.51	-
Subsurface Equipment (Other)	984.52	-
Production Casing / Liner	984.80	284,670
Liner Hanger / Packer Assembly	984.81	-
Non-Operated	984.90	-

Tangible Drilling		Gross Cost
983 TDC		
Casing Equipment / Hardware	983.50	2,500
Casinghead / Valves / Fittings	983.61	11,600
Conductor Casing	983.62	12,000
Intermediate Casing	983.63	-
Surface Casing	983.64	31,040
Non-Operated	983.90	-

Intangible Surface Equipment & Facilities		Gross Cost
986 IFAC		
Contract Labor / Roustabout	986.11	100,200
Equipment Rental	986.16	3,000
Inspection / Testing	986.22	3,000
Supervision / Foreman	986.31	-
Trucking / Transportation	986.35	2,500
Civil Construction	986.80	50,000
Contract Engineering	986.81	10,400
Pre-Fab & Painting	986.82	-
Non-Operated	986.90	-

Leasehold Undeveloped		Gross Cost
989 LHU		
Seismic	989.47	-
Acquisition Cost / Due Diligence	989.80	-
Acresage Cost	989.81	7,800
Bonus Payments	989.82	-
Geological Testing	989.83	-
Land Commission / Broker Fee	989.84	-
Legal / Recording Fees	989.85	7,800
ROW / Surface Use Agreement	989.86	-
Non-Operated	989.90	-

Tangible Surface Equipment & Facilities		Gross Cost
986 TFAC		
Automation / Metering Equipment	986.02	80,280
Compression / VPU	986.09	-
Electrical Equipment	986.13	45,800
Emission Control Device	986.14	25,000
Pipe / Piping / Pile/lines	986.25	30,000
Secondary Containment	986.26	10,420
Separator / Tripper / Sand Traps / Scrubber	986.29	162,587
Surface Equipment / Other	986.34	7,250
Tanks / Pits	986.35	143,000
Valves / Fittings / Metering	986.39	85,163
Non-Operated	986.90	-

	Drilling	Completion	Surface Equip/Facilities	Gross Cost
Leasehold				\$15,000
Intangible	\$1,548,845	\$4,537,515	\$189,150	\$6,255,510
Tangible	\$57,040	\$301,952	\$549,580	\$908,572
Contingencies (5% Intangible)	\$77,442	\$228,576	\$8,456	\$312,775
Total	\$1,683,327	\$5,068,343	\$727,186	\$7,481,857

INTEREST OWNER

SIGNATURE FOR APPROVAL

Created: 8/30/2017

Bison Exploration

By

Print Name

Bison S. Thompson

Date:

8/30/17

Renegade Oil & Gas Company, LLC
Houlihan 4-64 22A 21-1
Drilling and Completion Costs

<u>Month</u>	<u>Year</u>	<u>D&C JIB</u>
Oct	2017	2,937
Nov	2017	3,585
Dec	2017	195,653
Jan	2018	39,648
Feb	2018	18,333
Mar	2018	22,733
Apr	2018	27,263
May	2018	47,799
Jun	2018	4,327
Jul	2018	4,863
Aug	2018	(3,778)
Sep	2018	4,001
Oct	2018	7,154
Nov	2018	1,818
Dec	2018	(1,555)
Jan	2019	162
Feb	2019	5,549
Mar	2019	293
Apr	2019	791
May	2019	660
Jun	2019	(4,025)
Jul	2019	2,135
Aug	2019	(834)
Sep	2019	2,990
Oct	2019	9,732
Nov	2019	(614)
Dec	2019	293
Jan	2020	0
Feb	2020	0
Mar	2020	2,118
Apr	2020	15
May	2020	11
Jun	2020	11
Jul	2020	0
Aug	2020	
Sep	2020	
Oct	2020	
Nov	2020	
Dec	2020	
		<u>394,069</u>
Renegade Share		<u>3.12063%</u>
Total Costs		<u><u>12,627,855</u></u>

Exhibit B

(Declaration of Allyson Boies)

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

In re:)	
)	Chapter 11
)	
8 North, LLC, ¹)	Case No. 20-11550 (CSS)
)	
Reorganized Debtor.)	(Formerly Jointly Administered under
)	Lead Case: Extraction Oil & Gas, Inc.,
)	Case No. 20-11547 (CSS))
)	

**DECLARATION OF ALLYSON BOIES IN SUPPORT OF REORGANIZED
DEBTOR'S OBJECTION TO PROOF OF CLAIM NO. 1355 FILED BY
RENEGADE OIL AND GAS COMPANY LLC**

Allyson Boies, née Vistica, pursuant to 28 U.S.C. § 1746 hereby declares as follows:

1. I am over eighteen years of age, of sound mind, and otherwise competent to make this Declaration. The evidence set out in this Declaration is based on my personal knowledge. The statements in this Declaration are true and accurate to the best of my knowledge.

2. I was, at all relevant times, a Land Manager with Extraction Oil and Gas, Inc. ("Extraction"). In 2019, I became Vice President of Land at Extraction. I submit this Declaration in support of the Reorganized Debtors' Objection to Proof of Claim No. 1355 Filed by Renegade Oil and Gas Company LLC. In my capacity as Land Manager, I was heavily involved in the business operations of Axis and the Reorganized Debtors.

3. Axis, along with the Reorganized Debtors, drills wells to extract hydrocarbons including oil and natural gas. As a result of this, Axis and the Reorganized Debtors are parties to

¹ 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 5200, Denver, Colorado 80202. On October 25, 2021, the Court entered an order [Docket No. 2070] closing the chapter 11 cases of the Reorganized Debtors other than Case No. 20-11550 (CSS).

certain obligations arising under common law with certain working interest partners, such as Renegade, to operate their wells for development and production. Axis, as operator, provides these working interest partners with drilling cost estimates, for which the working interest partners are responsible if the working interest owner elects to participate in the well. Often, estimates do not fully predict the actual cost of the well development, and, as consistent with industry practice, the working interest partners are responsible for the “overspend” amount in addition to the estimated costs. Working interest owners, when deciding whether to participate in a well, know that the operator’s estimated costs to drill a well are just that – an estimate. The uncertainty as to the actual ultimate cost to the drill and whether the well will be productive enough to justify the expense of the well are the central considerations a working interest owner must weigh when deciding whether or not to participate in a well.

4. Renegade’s Proof of Claim should be disallowed and expunged. *First*, an alleged overspend on an estimate with minimal support is not sufficient grounds for a valid claim. Axis, as operator, provides working interest partners with drilling cost estimates, for which the working interest partners are responsible. Often, estimates do not fully predict the actual cost of the well production, and, as consistent with industry practice, the working interest partners are responsible for the “overspend” amount in addition to the estimated costs. Further, Renegade does not even provide an amount in the Proof of Claim but notes that it is subject to an audit. *Second*, in the Proof of Claim, Renegade alleges a breach of contract against Axis, but does not provide any support of the merits of the claim, or any other evidence that would be deemed to be sufficient. Accordingly, the Proof of claim should be disallowed and expunged.

I declare under penalty of perjury that the foregoing is true and correct. Executed on
November 1, 2021.

/s/ Allyson Boies
Allyson Boies

Exhibit C

(Proposed Form of Order)

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

In re:

8 North, LLC,¹

Reorganized Debtor.

Chapter 11

Case No. 20-11550 (CSS)

(Formerly Jointly Administered under
Lead Case: Extraction Oil & Gas, Inc.,
Case No. 20-11547 (CSS))

Re: Docket No. _____

**ORDER GRANTING REORGANIZED DEBTOR'S OBJECTION
TO PROOF OF CLAIM NO. 1355 FILED BY RENEGADE OIL AND GAS
COMPANY LLC**

This matter having come before this Court on *Reorganized Debtor's Objection to Proof of Claim No. 1355 Filed by Renegade Oil and Gas Company LLC* (the "Objection"); this Court having reviewed the Objection; this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference, dated February 29, 2012; this Court having found this is a core proceeding under 28 U.S.C. § 157(b)(2); this Court having found it may enter a final order consistent with Article III of the United States Constitution; this Court having found that venue of this proceeding and the Objection in this district is proper under 28 U.S.C. §§ 1408 and 1409; this Court having found that the Reorganized Debtor's notice of the Objection and opportunity for a hearing on the Objection were appropriate under the circumstances and no other notice need be provided; this Court having reviewed the Objection and all other

¹ 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 5200, Denver, Colorado 80202. On October 25, 2021, the Court entered an order [Docket No. 2070] closing the chapter 11 cases of the Reorganized Debtors other than Case No. 20-11550 (CSS).

related materials, and having heard any argument in support or in opposition to the relief requested therein at a hearing before this Court; this Court having determined that the legal and factual bases set forth in the Objection and at the hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Reorganized Debtors' Objection is SUSTAINED.
2. Proof of Claim No. 1355 filed by Renegade Oil and Gas Company LLC is disallowed and expunged for all purposes.
3. The Court-appointed claims agent is authorized to, and shall, reflect the disallowance and expungement of the aforesaid Proof of Claim No. 1355 on the Official Claims Register.
4. This Court shall retain jurisdiction with respect to all matters arising from or relating to the implementation of this Order.