AN INVESTIGATION OF THE GAS COSTS OF SENTRA CORPORATION PURSUANT KRS 278.2207, THE WHOLESALE GAS PRICE IT IS CHARGED BY ITS AFFILIATE, MAGNUM HUNTER PRODUCTION, INC., PURSUANT TO KRS 278.274, AND THE STRUCTURE OF THE PURCHASED GAS ADJUSTMENT CLAUSE CONTAINED IN ITS FILED TARIFF	)	Case No. 2016-00139

RESPONSES TO ATTORNEY GENERAL'S

SUPPLEMENTAL DATA REQUESTS

Submitted by:
John N. Hughes
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Certificate of Service:

I certify that a copy of this response was delivered to the Attorney General, 1024 Capital Center Drive, Frankfort, KY 40601 the 21st day of June, 2016.

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF FAYETTE

Affiant, D. Michael Wallen, appearing personally before me a notary public for and of the Commonwealth of Kentucky and after being first sworn, deposes, states, acknowledges, affirms and declares that he is Vice President, that he is authorized to submit this Response on behalf of Sentra Corporation and that the information contained in the Response is true and accurate to the best of his knowledge, information and belief, after a reasonable inquiry and as to those matters that are based on information provided to him, he believes to be true and correct.

D. Michael Wallen

This instrument was produced, signed, acknowledged and declared by D. Michael Wallen to be his act and deed the 20th day of June, 2016.

Notary Public
Registration Number: 509474

My Commission expires: 4-11-2018

In the Matter of: An Investigation of the Gas Costs of
Sentra Corporation
Case No. 2016-00139
Attorney General's Supplemental Data Requests

WITNESS: 1-19 Michael Wallen

1. State what position(s) D. Michael Wallen ("Mr. Wallen") holds with:

   a. Sentra Corporation ("Sentra");
   b. Magnum Hunter Resources~~, Inc.~~ Corporation ("MHR");
   c. Magnum Hunter Production, Inc. ("MHP");
   d. Clay Gas Utility District; and/or
   e. the entity referred to alternatively as "Greystone Energy, LLC, " "Greystone, LLC," and/or "Greystone."

   RESPONSE: Mr. Wallen is Senior Vice President of Operations for MHP, a wholly-owned subsidiary of MHR. In his capacity with MHP, Mr. Wallen manages the day-to-day operations of Sentra on behalf of MHR. Mr. Wallen does not hold any position with the Clay Gas Utility District nor does he own or work for Greystone.

2. State the type of business organization that MHP is (i.e., corporation, partnership, etc.), and identify in what state(s) it is registered to do business.

RESPONSE: MHP is a Kentucky corporation, wholly-owned by MHR, a Delaware corporation.

3. Identify MHP's:

a. officers;
b. directors;
c. members;
d. principals;
e. shareholders and/or owners

RESPONSE: MHP Officers

Matthew McCann – Interim Chief Executive Officer
Richard Farrell – Senior Vice President
D. Michael Wallen – Senior Vice President
George Camp – Vice President
Frank Day – Vice President

MHP Directors

Matthew McCann
Richard Farrell

4. Reference the response to AG 1-3. Should Sentra have identified MHP in its response? If not, why not?

RESPONSE: Sentra should have identified MHP. MHP is the entity responsible for overseeing the day-to-day operations of Sentra.

5. Reference the response to PSC 1-1. State whether David Rudder, the stated owner of the entity referred to as "Greystone, LLC," has ever been an employee, officer, director, owner, member, partner, or principal of:

a. MHR;
b. MHP;
c. Sentra;
d. Daugherty Petroleum; and/or
e. NGAS Production Company.

RESPONSE: No. David Rudder has never been an employee, officer, director, owner member, partner or principal of any of the organizations listed.

6. State whether MHP provides natural gas and/or propane to any entities other than Sentra, including any outside the Commonwealth of Kentucky. If so, please identify them and in what state(s) they are registered to conduct business.

RESPONSE: Yes. MHP supplies natural gas to (i) the Claiborne County, Tennessee Utility District in Harrogate, Tennessee, (ii) the Harlan Hospital in Harlan, Kentucky, (iii) the Federal Prison in Lee County, Virginia, (iv) the Appalachian Natural Gas District in Lee County, Virginia, and (v) the H & N Trucking in Lee County, Virginia. These sales are direct sales coming from production lines from wells owned by MHP.

7. Reference the response to AG 1-7, in which the joint respondents state that "Magnum Hunter has a contract with Greystone Energy, LLC to purchase the gas for Sentra." Reconcile this statement with the joint response to PSC 1-1 (a), in which joint respondents state that "D. Michael Wallen, Senior Vice Present of Operations for MHP, contracts with Greystone for the purchase of natural gas for Sentra." Clarify whether it is MHR or MHP that contracts with the entity referred to as "Greystone."

RESPONSE: MHP has a contract with Greystone to supply Greystone with natural gas, which MHP passes through to Sentra. As stated earlier, Mr. Wallen (in his capacity of overseeing the day-to-day operations of Sentra) coordinates with Greystone the quantities of gas to be delivered and ensures the paperwork for those transactions are processed.

8. Confirm that MHP conducts business at the same office as MHR and Sentra. If so, confirmed:

a. Explain how costs for employee staffing, office space, and other administrative and general costs are split between Sentra and MHR.

b. Do joint respondents agree that their response to AG 1-10 should be amended to include cost-sharing with MHP? If not, why not?

RESPONSE: MHP's principal office is located in Lexington, Kentucky. All of the natural gas procurement, billing, invoicing, and all filings for Sentra are processed in Lexington, Kentucky. Two administrative assistants, Sheila Thacker and Jerrica Lambert-Whitaker handle all of Sentra's administrative work out of Lexington, Kentucky. Corporate accounting functions for Sentra are handled from MHR's corporate headquarters located in Irving, Texas. Costs and charges will be outlined in the new rate filing, which Sentra is currently in the process of completing.

9. Reference the Commission Staff's May 19, 2016 memorandum regarding the informal conference held in this matter on May 12, 2016. In light of the fact that Sentra's parent company MHR has emerged from Chapter 11 bankruptcy protection:

a. Does Sentra have any plans to either abandon its system, or curtail any portion of services? If so, please explain in full.

RESPONSE: No. Sentra has no plans, at this time, to abandon its system or curtail its service.

b. Does Sentra have plans to file for a transfer of control pursuant to KRS Ch. 278? If so, when?

RESPONSE: Sentra has no plans, at this time, to file for a transfer of control pursuant to KRS CH. 278.

c. State what relationship Sentra will have with either MHR, or the new entity which emerged from Ch. 11 bankruptcy protection. Following MHR's May 6, 2016 release from bankruptcy, is Sentra Corporation still a wholly owned subsidiary of MHR?

RESPONSE: Sentra's relationship with MHR has not changed. Sentra remains a wholly-owned subsidiary of MHR.

d. If MHR and/or MHP has or have changed their names, please provide the new name(s).

RESPONSE: MHR and MHP have not changed their names at the time of this filing.

e. Identify the creditors of MHR who now own that company.

RESPONSE: On April 18, 2016, the United States Bankruptcy Court for the District of Delaware entered an order confirming the Third Amended Joint Chapter 11 Plan of Reorganization (as modified) of Magnum Hunter Resources Corporation and its Debtor Affiliates (the "Plan"). On May 6, 2016 (the "Effective Date"), the Plan became effective.

On and following the Effective Date, reorganized Magnum Hunter Resources Corporation (the "Company") no longer has any class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is no longer required to file reports under Section 15(d) of the Exchange Act. As such, the Company is no longer a "public" company.

In accordance with the Plan, shortly following the Effective Date, the Company issued new common stock (the "New Securities") to certain of its former creditor constituencies. This issuance, however, was done by way of deposit of the New Securities with The Depository Trust Company ("DTC"). DTC, through its

nominee, Cede & Co., is, therefore, the registered holder of all of the New Securities, but holds the New Securities on behalf of brokers and clearing houses ("Participants"). Further, the accounts of the Participants are for the benefit of their clients, which are the ultimate "beneficial" owners of the New Securities.

To be held by DTC, the New Securities were structured to be "DTC eligible." This generally means that the New Securities are freely transferable and can be transferred by the Participants from one beneficial owner to another, including to new beneficial owners. Because of the freely transferable nature of the New Securities, and because the Company does not have a way to look through Cede & Co., and then look through the Participants, to identify the ultimate beneficial owners, the Company is unable to provide a list of the holders of the New Securities.

f. State whether MHP was included in MHR's bankruptcy petition.

RESPONSE: MHP was a debtor in the Chapter 11 cases.

(i) Have any of MHP's assets been sold, or will they be sold, for the purposes of satisfying debts identified in MHR's bankruptcy petition?

RESPONSE: No. MHP assets have been or will be sold to satisfy debts identified in the Chapter 11 cases.

(ii) Will MHP continue to stay in business? If so, in what type(s) of business will it engage?

RESPONSE: MHP will continue to stay in business and will continue to engage oil and natural gas exploration, development and production.

g. Identify all other wholly-owned subsidiaries of MHR, or of the entity which emerged from MHR's Ch. 11 bankruptcy discharge.

RESPONSE: Alpha Hunter Drilling, LLC; Bakken Hunter Canada, Inc.; Bakken Hunter, LLC ; Energy Hunter Securities, Inc.; Hunter Aviation, LLC; Hunter Real Estate, LLC; Magnum Hunter Marketing, LLC; Magnum Hunter Production, Inc.; Magnum Hunter Resources GP, LLC; Magnum Hunter Resources, LP; Magnum Hunter Services, LLC; NGAS Gathering, LLC; NGAS Hunter, LLC; PRC Williston LLC; Shale Hunter, LLC; Triad Holdings, LLC; Triad Hunter, LLC; Viking International Resources Co., Inc; and Williston Hunter ND, LLC.

h. Does MHR, or the entity which emerged from MHR's Ch. 11 bankruptcy discharge, have any shareholders following the May 6, 2016 bankruptcy discharge? If so, identify them.

RESPONSE: On April 18, 2016, the United States Bankruptcy Court for the District of Delaware entered an order confirming the Third Amended Joint Chapter 11 Plan of Reorganization (as modified)

of Magnum Hunter Resources Corporation and its Debtor Affiliates (the "Plan"). On May 6, 2016 (the "Effective Date"), the Plan became effective.

On and following the Effective Date, reorganized Magnum Hunter Resources Corporation (the "Company") no longer has any class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is no longer required to file reports under Section 15(d) of the Exchange Act. As such, the Company is no longer a "public" company.

In accordance with the Plan, shortly following the Effective Date, the Company issued new common stock (the "New Securities") to certain of its former creditor constituencies. This issuance, however, was done by way of deposit of the New Securities with The Depository Trust Company ("DTC"). DTC, through its nominee, Cede & Co., is, therefore, the registered holder of all of the New Securities, but holds the New Securities on behalf of brokers and clearing houses ("Participants"). Further, the accounts of the Participants are for the benefit of their clients, which are the ultimate "beneficial" owners of the New Securities.

To be held by DTC, the New Securities were structured to be "DTC eligible." This generally means that the New Securities are freely transferable and can be transferred by the Participants from one beneficial owner to another, including to new beneficial owners. Because of the freely transferable nature of the New Securities, and because the Company does not have a way to look through Cede & Co., and then look through the Participants, to identify the ultimate beneficial owners, the Company is unable to provide a list of the holders of the New Securities.

i. Is the new board of directors of MHR, or the entity which emerged from MHR's Ch. 11 bankruptcy discharge, identified in the joint response to AG 1-2? Clarify whether the individuals identified therein serve as directors of MHR, or the entity which emerged from MHR's Ch. 11 bankruptcy discharge.

RESPONSE: Yes. The individuals identified in joint response to AG 1-2 serve as directors of the emerged MHR.

j. Following MHR's May 6, 2016 bankruptcy discharge, has there been any change in Sentra's own officers or board members? If so, please identify fully.

RESPONSE: <u>Current Sentra Officers</u>

Matthew McCann – Interim Chief Executive Officer
Richard Farrell – SVP of Land & Business Development
D. Michael Wallen – SVP
Paul M. Johnston – VP and Secretary
Frank E. Day – VP and Assistant Secretary
Virginia Kadlick – AVP and Assistant Secretary

<u>Current Sentra Directors</u>

k. On page 2 of the memorandum, reference is made to an 8-inch gas pipeline which Clay Gas Utility District ["Clay"] "specifically constructed" for Sentra in serving approximately 20 chicken farms.

RESPONSE: Correction. Clay constructed the 8" main line for its own account not for Sentra.

(i) State whether Sentra is in debt to Clay for the cost of this pipeline, and if so, state the amount of that debt and the payment arrangements between Sentra and Clay.

RESPONSE: Sentra is not in debt to Clay for the cost of the Clay Gas 8" pipeline. Sentra does pay Clay a fee for moving its gas through this line.

(ii) Identify the sources from which Clay procures its gas supply. Has Sentra ever considered any type or sort of joint gas procurement with Clay? If not, why not?

RESPONSE: Clay allows Sentra to purchase gas for Clay, pursuant to a contract between Clay and Sentra. The Clay Gas Utility District has been in Chapter 11 since shortly after it was formed. Sentra has operated the Clay Gas system since it went into bankruptcy. Clay does not have the financial wherewithal to purchase its own gas on the interstate pipeline system.

(iii) Confirm that Clay Gas Utility District is located in Tennessee.

RESPONSE: Yes. The Clay Gas Utility District is located in Tennessee.

l. Provide a copy of MHR's Ch. 11 bankruptcy discharge order.

RESPONSE: See attached Confirmation Order. Pursuant to discussions with the Attorney General, exhibit A, which was provided to him for review, is not included with the order.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
MAGNUM HUNTER RESOURCES CORPORATION, *et al.*,[1]	)	Case No. 15-12533 (KG)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 649, 652, 671, and 1134**

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING THIRD AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION (AS MODIFIED) OF MAGNUM HUNTER RESOURCES CORPORATION AND ITS DEBTOR AFFILIATES

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), having:[2]

a. commenced, on December 15, 2015 (the "Petition Date"), these chapter 11 cases (the "Chapter 11 Cases") by filing voluntary petitions in the United States Bankruptcy Court for the District of Delaware (the "Court") for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

b. continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;

c. filed, on January 7, 2016, the *Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and its Debtor Affiliates* [Docket No. 212] (the "Original Plan") and the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and its Debtor Affiliates* [Docket No. 213] (the "Original Disclosure Statement"),

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Magnum Hunter Resources Corporation (9278); Alpha Hunter Drilling, LLC (7505); Bakken Hunter Canada, Inc. (7777); Bakken Hunter, LLC (3862); Energy Hunter Securities, Inc. (9725); Hunter Aviation, LLC (8600); Hunter Real Estate, LLC (8073); Magnum Hunter Marketing, LLC (2527); Magnum Hunter Production, Inc. (7062); Magnum Hunter Resources GP, LLC (5887); Magnum Hunter Resources, LP (5958); Magnum Hunter Services, LLC (5725); NGAS Gathering, LLC (2054); NGAS Hunter, LLC (3737); PRC Williston LLC (1736); Shale Hunter, LLC (1952); Triad Holdings, LLC (8947); Triad Hunter, LLC (5830); Viking International Resources Co., Inc. (0097); and Williston Hunter ND, LLC (3798). The location of the Debtors' service address is: 909 Lake Carolyn Parkway, Suite 600, Irving, Texas 75039.

2 Unless otherwise noted herein, capitalized terms not defined in these findings of fact, conclusions of law, and order (collectively, this "Confirmation Order") shall have the meanings ascribed to them in the Plan (as defined herein). The rules of interpretation set forth in Article I.B of the Plan shall apply to this Confirmation Order.

which Original Plan, Original Disclosure Statement, and related documents were subsequently revised or supplemented, as set forth herein;

d. filed, on February 19, 2016, the *First Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and its Debtor Affiliates* [Docket No. 572] (the "First Amended Plan") and the *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and its Debtor Affiliates* [Docket No. 577] (the "First Amended Disclosure Statement"), which First Amended Plan, First Amended Disclosure Statement, and related documents were subsequently revised or supplemented, as set forth herein;

e. filed, on February 25, 2016, the *Second Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and its Debtor Affiliates* [Docket No. 649] (as may be amended, supplemented, or modified from time to time, and including all exhibits and supplements thereto, the "Second Amended Plan");

f. filed, on February 25, 2016, the *Disclosure Statement for the Second Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and its Debtor Affiliates* [Docket No. 652] (as may be amended, supplemented, or modified from time to time, and including all exhibits and supplements thereto, the "Disclosure Statement");

g. obtained, on February 26, 2016, entry of the *Order (I) Approving the Adequacy of the Disclosure Statement, (II) Approving the Solicitation and Notice Procedures with Respect to Confirmation of the Debtors' Proposed Joint Plan of Reorganization, (III) Approving the Forms of Ballots and Notices in Connection Therewith, (IV) Scheduling Certain Dates With Respect Thereto, and (V) Granting Related Relief* [Docket No. 671] (the "Disclosure Statement Order") that, among other things, (a) approved the Disclosure Statement as having adequate information, as required under section 1125(a) of the Bankruptcy Code, (b) authorized the Debtors to solicit votes with regard to the acceptance or rejection of the Plan, and (c) approved, among other things, the Debtors' supplemental disclosures and related notices, forms, and ballots to be submitted to parties in interest in connection with the modifications set forth in the Disclosure Statement (collectively, the "Solicitation Packages") and the Debtors' solicitation procedures (the "Solicitation Procedures");

h. obtained, on February 26, 2016, entry of the *Order (I) Scheduling Certain Dates and Deadlines in Connection with the Confirmation of the Debtors' Chapter 11 Plan, and (II) Granting Related Relief* [Docket No. 672] (the "Scheduling Order") that, among other things, established a discovery schedule for Confirmation that applied only to (i) the Debtors, the Committee, and the Backstoppers, on the one hand, and (ii) the ad hoc group of equity interest holders and any equity interest holder who objects to the Plan, whether represented by counsel or not, on the other hand;

i. caused, on March 2, 2016, and continuing thereafter (the "Solicitation Date"), solicitation materials and notice of the deadline for objecting to confirmation of the Plan to be distributed consistent with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Disclosure Statement Order, as evidenced by, among other things, the *Affidavit of Service of Solicitation Materials* [Docket No. 735] (the "Solicitation Affidavit") filed by Prime Clerk;

j. obtained, on March 15, 2016, entry of the *Order (I) Establishing a Protocol for Participation In the Hearing on Confirmation of the Debtors' Chapter 11 Plan, and (II) Granting Related Relief* [Docket No. 810] (the "Protocol Order") that, among other things, modified the Scheduling Order and established a protocol for individual equity holders to participate in the Confirmation Hearing;

k. filed, on March 16, 2016, notice of the Confirmation Hearing (the "Confirmation Hearing Notice") which was published in the *Houston Chronicle*, *USA Today*, the *Tyler Star News*, *The Mariette Times*, the *Wetzel Chronicle*, and the *Oil & Gas Journal*, as evidenced by, among other things, the *Affidavit of Publication* [Docket No. 818] (the "Publication Affidavit") filed by Prime Clerk;

l. filed, on April 14, 2016, the *Declaration of Christina Pullo of Prime clerk LLC Regarding the Solicitation of Votes and Tabulation of Ballots Cast on the Second Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and Its Debtor Affiliates* [Docket No. 1139] (the "Voting Report");

m. filed, on April 14, 2016, the *Third Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and Its Debtor Affiliates* [Docket No. 1138] (the "Third Amended Plan");

n. filed, on April 14, 2016, the *Debtors' (I) Memorandum of Law in Support of Confirmation of the Third Amended Joint Chapter 11 Plan of Reorganization or Magnum Hunter Resources Corporation and Its Debtor Affiliates and (II) Omnibus Response to Objections Thereto* [Docket No. 1144] (the "Confirmation Brief");

o. filed, on April 14, 2016, the *Declaration of Gary C. Evans in Support of Confirmation of the Third Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and Its Debtor Affiliates* [Docket No. 1143] (the "Evans Declaration");

p. filed, on April 14, 2016, the *Declaration of Edgar W. Mosley in Support of Confirmation of the Third Amended Joint Chapter 11 Plan of Reorganization or Magnum Hunter Resources Corporation and Its Debtor Affiliates* [Docket No. 1142] (the "Mosley Declaration");

q. filed, on April 14, 2016, the *Declaration and Expert Report of Peter Laurinaitis, Partner, PJT Partners, LP, In Support of the Debtors' Third Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources and Its Debtor Affiliates* [Docket No. 1140] (the "PJT Report");

r. filed, on April 14, 2016, the *Declaration and Expert Report of Craig Davis, President and CEO, INEXS, In Support of the Debtors' Third Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources and Its Debtor Affiliates* [Docket No. 1141] (the "INEXS Report");

s. filed, on April 17, 2016, the *Third Amended Joint Chapter 11 Plan of Reorganization (as Modified) of Magnum Hunter Resources Corporation and Its Debtor Affiliates* [Docket No. 1165] (the "Plan");

This Court having:

t. set April 18, 2016, at 3:00 p.m., prevailing Eastern Time, as the date and time for the commencement of the Confirmation Hearing pursuant to Bankruptcy Rules 3017 and 3018 and sections 1126, 1128, and 1129 of the Bankruptcy Code;

u. reviewed the Plan, the Disclosure Statement, the Confirmation Brief, the Evans Declaration, the Mosley Declaration, the PJT Report, the INEXS Report, the Voting Report, and all pleadings, exhibits, statements, responses, and comments regarding Confirmation, including all objections, statements, and reservations of rights filed by parties in interest on the docket of these Chapter 11 Cases;

v. held the Confirmation Hearing;

w. heard the statements, arguments, and objections made by counsel and certain pro se parties in respect of Confirmation;

x. considered all oral representations, testimony, documents, filings, and other evidence regarding Confirmation;

y. overruled any and all objections to the Plan and to Confirmation and all statements and reservations of rights not consensually resolved or withdrawn unless otherwise indicated; and

z. taken judicial notice of all papers and pleadings filed in these Chapter 11 Cases and all evidence proffered or adduced and all arguments made at the hearings held before the Court during the pendency of these Chapter 11 Cases.

NOW, THEREFORE, the Court having found that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation having been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby; and the record of these Chapter 11 Cases and the legal and factual bases set forth in the documents filed in support of Confirmation and presented at the Confirmation Hearing including, but not limited to, the Evans Declaration, the Mosley

Declaration, the PJT Report, and the INEXS Report, establish just cause for the relief granted in this Confirmation Order; and after due deliberation thereon and good cause appearing therefor, the Court hereby makes and issues the following findings of fact, conclusions of law, and order:

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED, AND ORDERED THAT:

A. Findings of Fact and Conclusions of Law.

1. The findings of fact and the conclusions of law set forth in this Confirmation Order constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. All findings of fact and conclusions of law announced by the Court at the Confirmation Hearing in relation to Confirmation are hereby incorporated into this Confirmation Order to the extent not inconsistent herewith. To the extent that any of the following constitutes findings of fact or conclusions of law, they are adopted as such. To the extent any finding of fact or conclusion of law set forth in this Confirmation Order (including any findings of fact or conclusions of law announced by the Court at the Confirmation Hearing and incorporated herein) constitutes an order of this Court, it is adopted as such.

B. Jurisdiction and Venue.

2. The Court has subject matter 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 Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed. Venue in the Court was proper as of the Petition Date and remains proper

under 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2).

C. **Eligibility for Relief.**

3. The Debtors were and continue to be entities eligible for relief under section 109 of the Bankruptcy Code.

D. **Commencement and Joint Administration of the Chapter 11 Cases.**

4. On the Petition Date, the Debtors commenced these Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On December 16, 2015, the Court entered an order [Docket No. 61] authorizing the joint administration and procedural consolidation of these Chapter 11 Cases in accordance with Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases.

E. **Judicial Notice.**

5. The Court takes judicial notice of (and deems admitted into evidence for purposes of Confirmation) the docket of these Chapter 11 Cases maintained by the Clerk of the Court or its duly appointed agent, including all pleadings and other documents on file, all orders entered, all hearing transcripts, and all evidence and arguments made, proffered, or adduced at the hearings held before the Court during these Chapter 11 Cases. Any resolution of objections to Confirmation explained on the record at the Confirmation Hearing is hereby incorporated by reference. All unresolved objections, statements, informal objections, and reservations of rights, if any, related to the Plan or Confirmation are overruled on the merits.

F. **Plan Supplement.**

6. On March 14, 2016, the Debtors caused the Plan Supplement to be filed with the Court [Docket No. 807]. The Debtors filed an amended Plan Supplement on March 16, 2016 [Docket No. 824]. The Debtors filed a second amended Plan Supplement on March 25, 2016

[Docket No. 922]. The Debtors filed a third amended Plan Supplement on April 18, 2016 [Docket No. 1166]. The Plan Supplement complies with the Bankruptcy Code and the terms of the Plan, and the filing and notice of such documents were good and proper and in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order, and the facts and circumstances of these Chapter 11 Cases. No other or further notice is or will be required with respect to the Plan Supplement. All documents included in the Plan Supplement are integral to, part of, and incorporated by reference into the Plan. Subject to the terms of the Plan, the Debtors, with the consent of the Majority Backstoppers (and with respect to the Description of Transaction Steps and the Unsecured Creditor Distribution Trust Agreement, reasonably acceptable to the Committee and/or its advisors), reserve the right to alter, amend, update, or modify the Plan Supplement before the Effective Date subject to compliance with the Bankruptcy Code and the Bankruptcy Rules, provided that no such alteration, amendment, update, or modification shall be inconsistent with the terms of this Order or the terms of the Plan.

G. Financing Orders.

7. On December 16, 2015, the Court entered the *Interim Order (I) Authorizing the Debtors to Obtain Both Senior and Junior Secured Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Authorizing Repayment of the Prepetition First Lien Facility in Full Pursuant to Section 363 of the Bankruptcy Code, (IV) Authorizing the Debtors to Use Cash Collateral, (V) Granting Adequate Protection to the Prepetition Secured Parties, (VI) Modifying the Automatic Stay, (VII) Scheduling a Final Hearing, and (VIII) Granting Related Relief* [Docket No. 75]. On January 11, 2016, the Court entered the *Final Order (I) Authorizing the Debtors to Obtain Both Senior and Junior Secured Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (II) Granting Liens and Providing Superpriority*

Administrative Expense Status, (III) Authorizing Repayment of the Prepetition First Lien Facility in Full Pursuant to Section 363 of the Bankruptcy Code, (IV) Authorizing the Debtors to Use Cash Collateral, (V) Granting Adequate Protection to the Prepetition Secured Parties, (VI) Modifying the Automatic Stay, and (VII) Granting Related Relief [Docket No. 264].

H. Disclosure Statement Order.

8. On February 26, 2016, the Court entered the Disclosure Statement Order, which, among other things: (a) approved the Disclosure Statement as containing adequate information within the meaning of section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017; (b) approved the Solicitation Procedures; (c) approved the Solicitation Packages; (d) set March 28, 2016, at 4:00 p.m. (prevailing Eastern Time), as the deadline for voting to accept or reject the Plan (the "Voting Deadline"), as well as the deadline for objecting to the Plan (the "Plan Objection Deadline"); and (e) set March 31, 2016, at 11:00 a.m. (prevailing Eastern Time) as the date and time for the Confirmation Hearing.

I. Transmittal and Mailing of Materials; Notice.

9. As evidenced by the Solicitation Affidavit, the Publication Affidavit, and the Voting Report, due, adequate, and sufficient notice of entry of the Disclosure Statement Order, the Plan, and the Plan Supplement, and notice of the assumptions of Executory Contracts and Unexpired Leases to be assumed by the Debtors (such Executory Contracts and Unexpired Leases, the "Assumed Contracts") and related cure amounts and the procedures for objecting thereto and resolution of disputes by the Court thereof has been given to, as applicable: (a) all known holders of Claims and Interests; (b) parties that requested notice in accordance with Bankruptcy Rule 2002; (c) all non-Debtor counterparties to Executory Contracts and Unexpired Leases; and (d) all taxing authorities listed on the Debtors' Schedules or Claims Register; each in substantial compliance with the Disclosure Statement Order and Bankruptcy Rules 2002(b),

3017, 3019, and 3020(b), and no other or further notice is or shall be required. Due, adequate, and sufficient notice of the Plan Objection Deadline, the Confirmation Hearing (as may be continued from time to time), and any applicable bar dates and hearings described in the Disclosure Statement Order was given in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Disclosure Statement Order, and no other or further notice is or shall be required.

J. Solicitation and Equity Election.

10. The Debtors solicited votes for acceptance and rejection of the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to sections 1125, 1126, and all other applicable sections of the Bankruptcy Code, Bankruptcy Rules 3017, 3018, and 3019, the Disclosure Statement Order, and all other applicable rules, laws, and regulations. The Debtors complied with the procedures set forth in the Disclosure Statement Order to allow holders of Claims in Class 7(a) to elect the Unsecured Creditor Equity Option, and such procedures were fair and reasonable.

K. Voting Report.

11. Prior to the Confirmation Hearing, the Debtors filed the Voting Report. As set forth in the Voting Report, the procedures used to tabulate the ballots were fair and conducted in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws, and regulations.

12. As set forth in the Plan, holders of Claims in Classes 3, 5, 6, 7(a), and 7(b) (collectively, the "Voting Classes") for each of the Debtors were eligible to vote on the Plan pursuant to the Solicitation Procedures. In addition, holders of Claims in Classes 1, 2, and 4 are Unimpaired and conclusively presumed to accept the Plan and, therefore, are not entitled to vote to accept or reject the Plan. Holders of Claims or Interests in Classes 8 and 9 either are unimpaired, in which case they are conclusively presumed to accept the Plan, or impaired, in

which case they are conclusively deemed to reject the Plan, and therefore, are not entitled to vote to assume or reject the Plan. Holders of Interests in Class 10 (together with holders of Claims in Classes 8 and 9, to the extent Impaired under the plan, the "Deemed Rejecting Classes") are Impaired under the Plan, are entitled to no recovery under the Plan, and are therefore deemed to have rejected the Plan.

13. As evidenced by the Voting Report, each of the five Voting Classes voted to accept the Plan for each Debtor other than with respect to: Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), and Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.).

L. Bankruptcy Rule 3016.

14. The Plan is dated and identifies the Entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The Debtors appropriately filed the Disclosure Statement and the Plan with the Court, thereby satisfying Bankruptcy Rule 3016(b).

M. Burden of Proof.

15. The Debtors, as proponents of the Plan, have met their burden of proving the elements of sections 1129(a) and 1129(b) of the Bankruptcy Code by a preponderance of the evidence, the applicable evidentiary standard for Confirmation. Further, the Debtors have proven the elements of sections 1129(a) and 1129(b) of the Bankruptcy Code by clear and convincing evidence.

N. Compliance with the Requirements of Section 1129 of the Bankruptcy Code.

16. The Plan complies with all applicable provisions of section 1129 of the Bankruptcy Code.

1. Section 1129(a)(1)—Compliance with Applicable Provisions of the Bankruptcy Code.

17. The Plan complies with all applicable provisions of the Bankruptcy Code, including sections 1122 and 1123, as required by section 1129(a)(1) of the Bankruptcy Code.

(i) Sections 1122 and 1123(a)(1)—Proper Classification.

18. The classification of Claims and Interests under the Plan is proper under the Bankruptcy Code. In accordance with sections 1122(a), 1122(b), and 1123(a)(1) of the Bankruptcy Code, Article III of the Plan provides for the separate classification of Claims and Interests into ten different Classes, based on differences in the legal nature or priority of such Claims against and Interests in each Debtor or, in the case of Claims in Class 7(b), based on administrative convenience (other than Administrative Claims, Professional Fee Claims, DIP Facility Claims, and Priority Tax Claims, which are addressed in Article II of the Plan and are not required to be designated as separate Classes by section 1123(a)(1) of the Bankruptcy Code). Valid business, factual, and legal reasons exist for the separate classification of such Claims and Interests. The classifications reflect no improper purpose and do not unfairly discriminate between, or among, holders of Claims or Interests. Each Class of Claims or Interests contains only Claims or Interests that are substantially similar to the other Claims or Interests within that Class. Accordingly, the requirements of sections 1122(a), 1122(b), and 1123(a)(1) of the Bankruptcy Code have been satisfied.

(ii) Section 1123(a)(2)—Specification of Unimpaired Classes.

19. Article III of the Plan specifies that Claims in Classes 1, 2, and 4 are Unimpaired under the Plan and Claims in Classes 8 and 9 are either Impaired or Unimpaired under the Plan. Additionally, Administrative Claims, Professional Fee Claims, DIP Facility Claims, and Priority

Tax Claims are not classified under the Plan. Accordingly, the Plan satisfies the requirements of section 1123(a)(2) of the Bankruptcy Code.

(iii) Section 1123(a)(3)—Specification of Treatment of Impaired Classes.

20. Article III of the Plan specifies that Claims in Classes 3, 5, 6, 7(a), 7(b), and 10 are Impaired under the Plan and Claims in Classes 8 and 9 are either Impaired or Unimpaired under the Plan. Accordingly, the Plan satisfies the requirements of section 1123(a)(3) of the Bankruptcy Code.

(iv) Section 1123(a)(4)—No Discrimination.

21. Article III of the Plan provides the same treatment to each Claim or Interest in any particular Class, as the case may be, unless in some cases, the holder of a particular Claim or Interest has agreed to a less favorable treatment with respect to such Claim or Interest. Accordingly, the Plan satisfies the requirements of section 1123(a)(4) of the Bankruptcy Code.

(v) Section 1123(a)(5)—Adequate Means for Plan Implementation.

22. Pursuant to section 1123(a)(5) of the Bankruptcy Code, Article IV and various other provisions of the Plan specifically provide in detail adequate and proper means for the Plan's implementation, including, among other things: (a) the good-faith compromise and general settlement of Claims; (b) entry into the Unsecured Creditor Distribution Trust Agreement that, among other things, establishes the Unsecured Creditor Distribution Trust; (c) entry into the Exit Financing; (d) the issuance of the New Common Equity; (e) the authorization to effectuate the Restructuring Transactions; (f) the general authority for all corporate and limited liability company (as applicable) actions necessary to effectuate the Plan; (g) the authorization to assume all of the D&O Liability Insurance Policies; (h) the appointment of the New Board; (i) the assumption and assignment of all Indemnification Obligations as provided by, and subject to the limitations and conditions set forth in, the Plan; (j) the preservation of Causes of Action; (k) the

vesting of assets in the Reorganized Debtors; (l) the exemption from the registration and prospectus delivery requirements of section 5 of the Securities Act; and (m) the exemption from certain taxes and fees to the extent provided in the Plan. Moreover, the Debtors or the Creditor Claim Representative, as applicable, will have, respectively, immediately upon the Effective Date, sufficient Cash to make all payments required on the Effective Date pursuant to the terms of the Plan. Accordingly, the Plan satisfies the requirements of section 1123(a)(5) of the Bankruptcy Code.

(vi) Section 1123(a)(6)—Voting Power of Equity Securities.

23. The New Organizational Documents prohibit the issuance of non-voting equity securities to the extent prohibited by section 1123(a)(6) of the Bankruptcy Code, thereby satisfying section 1123(a)(6) of the Bankruptcy Code.

(vii) Section 1123(a)(7)—Selection of Officers and Directors.

24. The identity and affiliations of the members of the New Board, to the extent known, are set forth in Plan Supplement [Docket No. 1166] and have been further announced on the record at the Confirmation Hearing. The Plan provides the manner for the selection of the remaining members of the New Board. The selection of the New Board, as set forth in Article IV.H of the Plan and in the New Organizational Documents, is consistent with the interests of holders of Claims and Interests and public policy. Accordingly, the Plan satisfies the requirements of section 1123(a)(7) of the Bankruptcy Code.

(viii) Section 1123(b)—Discretionary Contents of the Plan.

25. The Plan's discretionary provisions comply with section 1123(b) of the Bankruptcy Code and are not inconsistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b) of the Bankruptcy Code.

(a) Section 1123(b)(2)—Executory Contracts and Unexpired Leases.

26. Article V of the Plan governs the assumption or rejection of the Debtors' Executory Contracts and Unexpired Leases that (a) were not previously assumed, assumed and assigned, or rejected pursuant to section 365 of the Bankruptcy Code or (b) are subject to a motion to reject such contract pursuant to section 365 of the Bankruptcy Code (i) pending as of the Confirmation Hearing or (ii) pursuant to which the requested effective date of such rejection is after the Effective Date.

27. On the Effective Date, except as otherwise provided in the Plan, all Executory Contracts or Unexpired Leases will be deemed assumed and assigned to the Reorganized Debtors or their designated assignee in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, provided that the Debtors follow the procedures to assume such Executory Contracts or Unexpired Leases set forth in Article V of the Plan, regardless of whether such Executory Contract or Unexpired Lease is set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases attached as Exhibit B to the Plan Supplement [Docket No. 1166], other than: (a) those that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases attached as Exhibit D to the Plan Supplement [Docket No. 1166]; (b) those that have been previously rejected by a Final Order, including those that are subject to a notice issued pursuant to the Contract Procedures Order; (c) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; (d) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date; or (e) those to which an objection to the assumption has been sustained or otherwise resolved as stated on the record.

28. Entry of this Confirmation Order shall constitute a Court order approving the assumptions, assumptions and assignments, or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan or the Schedule of Rejected Executory Contracts and Unexpired Leases and the Schedule of Assumed Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts or Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Court authorizing and providing for its assumption under applicable federal law. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Court on or after the Effective Date. Notwithstanding anything to the contrary in the Plan, (a) the Debtors or the Reorganized Debtors, as applicable, with the consent of the Majority Backstoppers, reserve the right to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time through and including 8 days after the Effective Date and (b) that certain Payment and Indemnity Agreement No. 0828, dated as of February 4, 2010 (as amended and/or supplemented thereto), between the Debtors and US Specialty Insurance Company is hereby assumed, and any obligations owed to US Specialty Insurance Company with respect thereto shall be Allowed Administrative Claims under the Plan pursuant to Article II.A thereof, without the need for filing further Proofs of Claims or requests for payment of Administrative Claims.

29. To the maximum extent permitted by law, assumption of an Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result upon payment of the Cure Amount in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest, composition, or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed Disallowed and expunged by the Court upon objection by the Debtors or the Creditor Claim Representative on notice to the affected holders of such claims.

30. The Debtors have provided an individualized, custom notice to each non-Debtor counterparty to each Executory Contract and Unexpired Lease of the treatment of such non-Debtor counterparty's contract(s) pursuant to the Plan. The Debtors also have provided adequate assurance of future performance for each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan in accordance with section 365 of the Bankruptcy Code. If the Debtors or the Reorganized Debtors, as applicable, with the consent of the Majority Backstoppers, alter, amend, modify, or supplement the Schedule of Assumed Executory Contracts and Unexpired Leases at any time through and including 8 days after the Effective Date, to change an Executory Contract or Unexpired Lease that previously had been rejected to one to be assumed, then the Debtors or the Reorganized Debtors, as applicable, shall comply with the procedures set forth in Article V of the Plan regarding assumption of Executory Contracts and Unexpired Leases with respect to such Executory Contract or Unexpired Lease. If the Debtors or the Reorganized Debtors, as applicable, with the consent of the Majority

Backstoppers, alter, amend, modify or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time through and including 8 days after the Effective Date to change an Executory Contract or Unexpired Lease that previously had been assumed to one to be rejected, then the Debtors or the Reorganized Debtors, as applicable, shall comply with the procedures set forth in Article V of the Plan regarding rejection of Executory Contracts and Unexpired Leases with respect to such Executory Contract or Unexpired Lease.

(b) Section 1123(b)(3)—Settlement, Releases, Exculpation, Injunction, and Preservation of Claims and Causes of Action.

31. **Compromise and Settlement.** Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, which distributions and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, and the distributions and other benefits provided thereunder, shall constitute a good faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest, including those settlements and controversies enumerated in Article VIII.A of the Plan.

32. The entry of this Confirmation Order constitutes the Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors and their Estates, and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Reorganized Debtors or the Creditor Claim Representative, as applicable (or any other party, as determined by the Debtors and the Majority

Backstoppers) may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

33. **Subordinated Claims.** The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors or the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

34. **Releases by the Debtors.** The release, set forth in Article VIII.E of the Plan (collectively, the "Debtor Release"), is an essential provision of the Plan. The Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by such releases; (c) in the best interests of the Debtors and all holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any of the Debtors or their Estates asserting any claim or cause of action released pursuant to such releases.

35. The scope of the Debtor Release is appropriately tailored under the facts and circumstances of these Chapter 11 Cases. In light of, among other things, the value provided by the Released Parties to the Debtors' Estates and the critical nature of the Debtor Release to the Plan, the Debtor Release is approved.

36. **Third-Party Release.** The releases, set forth in Article VIII.F of the Plan (collectively, the "Third-Party Release"), is an essential provision of the Plan. The Third-Party Release is: (a) consensual; (b) in exchange for the good and valuable consideration provided by the Released Parties; (c) a good faith settlement and compromise of the claims released by such releases; (d) in the best interests of the Debtors and all holders of Claims and Interests; (e) fair, equitable, and reasonable; (f) given and made after due notice and opportunity for hearing; and (g) a bar to any of the Releasing Parties asserting any claim or causes of action released pursuant to such releases.

37. The Third-Party Release is an integral part of the Plan. Like the Debtor Release, the Third Party Release and its protections facilitated the participation of many of the Debtors' stakeholders in the negotiations and compromises that led to the Plan and the structure for the Debtors' reorganization. Specifically, the Released Parties made significant contributions to these Chapter 11 Cases, including the funding for these Chapter 11 Cases. As such, the Third-Party Release appropriately offers protection to parties who constructively participated in and contributed to the Debtors' restructuring.

38. The scope of the Third-Party Release in the Plan is appropriately tailored under the facts and circumstances of these Chapter 11 Cases, and parties received due and adequate notice of the Third-Party Release and the opportunity to opt out of the Third-Party Release, as applicable. In light of, among other things, the value provided by the Released Parties to the Debtors' Estates, the consensual nature of the Third-Party Release, and the critical nature of the Third-Party Release to the Plan, the Third Party Release is approved.

39. **Exculpation.** The exculpation provisions set forth in Article VIII.G of the Plan (the "Exculpation") are approved.

40. **Injunction**. The injunction provisions set forth in Article VIII.H of the Plan (the "Injunction") are essential to the Plan and are necessary to implement the Plan and to preserve and enforce the Debtor Release the Third-Party Release, and the Exculpation provisions in Article VIII of the Plan. Such injunction provisions are appropriately tailored to achieve those purposes. Accordingly, the Injunction is approved.

41. **Preservation of Claims and Causes of Action.** The provisions regarding the preservation of Claims and Causes of Action in the Plan are appropriate and are in the best interests of the Debtors, their respective Estates, and holders of Claims and Interests.

2. Section 1129(a)(2)— The Debtors' Compliance with the Applicable Provisions of the Bankruptcy Code.

42. The Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(2) of the Bankruptcy Code, including sections 1122, 1123, 1124, 1125, 1126, and 1128, and Bankruptcy Rules 3017, 3018, and 3019.

43. As set forth in greater detail in paragraph 4 of the Voting Report, votes to accept or reject the Plan were solicited by the Debtors and their agents after the Court approved the Disclosure Statement pursuant to section 1125(a) of the Bankruptcy Code and entered the Disclosure Statement Order.

44. As set forth in greater detail in paragraphs 6–8 of the Voting Report, the Debtors and their agents have solicited and tabulated votes on the Plan and have participated in the activities described in section 1125 of the Bankruptcy Code fairly and in good faith within the meaning of section 1125(e) of the Bankruptcy Code, and in a manner consistent with the applicable provisions of the Disclosure Statement Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and all other applicable rules, laws,

and regulations, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the Exculpation provisions set forth in Article VIII.G of the Plan.

45. The Debtors and their agents have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the offering, issuance, and distribution of recoveries under the Plan and, therefore, are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or distributions made thereunder, so long as such distributions are made consistent with and pursuant to the Plan.

3. Section 1129(a)(3)—Proposal of Plan in Good Faith.

46. The Plan satisfies the requirements of section 1129(a)(3) of the Bankruptcy Code. The Debtors have proposed the Plan in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing of these Chapter 11 Cases, the Plan itself, and the process leading to its formulation. The Debtors' good faith is evident from the facts and record of these Chapter 11 Cases, the Disclosure Statement, the Disclosure Statement Hearing, the record of the Confirmation Hearing, the Evans Declaration, the Mosley Declaration, the PJT Report, the INEXS Report, and all other proceedings held in these Chapter 11 Cases. The Plan is the product of arm's-length negotiations between and among the Debtors, the Backstoppers, the Committee, the Exit Financing Lenders, and certain of the Debtors' other stakeholders. The Plan itself and the process leading to its formulation provide independent evidence of the Debtors' good faith, serve the public interest, and assure fair treatment of holders of Claims and Interests. Consistent with the overriding purpose of chapter 11, the Debtors commenced these Chapter 11 Cases, and proposed the Plan, with the legitimate purpose of allowing the Debtors to restructure their balance sheet, carry out their operational reorganization, and maximize stakeholder value.

47. The Debtors and each of the constituents who negotiated the Plan, including, but not limited to, the Backstoppers, the Committee, the Exit Financing Lenders, and each of their respective officers, directors, managers, members, employees, advisors and professionals (a) acted in good faith in negotiating, formulating and proposing, where applicable, the Plan and the agreements, compromises, settlements, transactions, transfers, and documentation contemplated by the Plan including, without limitation, the Exit Financing and the Unsecured Creditor Distribution Trust Agreement, and (b) will be acting in good faith in proceeding to (i) consummate the Plan and the agreements, compromises, settlements, transactions, transfers, and documentation contemplated by the Plan, including, but not limited to, the New Organizational Documents, the Exit Financing, and the Unsecured Creditor Distribution Trust Agreement, and (ii) take any actions authorized and directed or contemplated by this Confirmation Order.

4. Section 1129(a)(4)—Court Approval of Certain Payments as Reasonable.

48. The procedures set forth in the Plan for the Court's review and ultimate determination of the fees and expenses to be paid by the Debtors, or the Reorganized Debtors, as applicable, in connection with these Chapter 11 Cases, or in connection with the Plan and incident to these Chapter 11 Cases, satisfy the objectives of and are in compliance with section 1129(a)(4) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1129(a)(4).

5. Section 1129(a)(5)—Disclosure of Identity of Proposed Management, Compensation of Insiders, and Consistency of Management Proposals with the Interests of Creditors and Public Policy.

49. The Plan satisfies the requirements of section 1129(a)(5) of the Bankruptcy Code because the Debtors have disclosed: (a) to the extent known, the identity of the members of the New Board; and (b) the nature and compensation for any insider who will be employed or

retained by the Reorganized Debtors under section 101(31) of the Bankruptcy Code. The method of appointment of members of the New Board was, is, and will be consistent with the interests of holders of Claims and Interests and public policy. The proposed officers and directors for the Reorganized Debtors are qualified, and their appointment to, or continuance in, such roles is consistent with the interests of holders of Claims and Interests and with public policy. Accordingly, the Plan satisfies the requirements of section 1129(a)(5).

6. Section 1129(a)(6)—Approval of Rate Changes.

50. Section 1129(a)(6) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases. The Plan proposes no rate change subject to the jurisdiction of any governmental regulatory commission.

7. Section 1129(a)(7)—Best Interests of holders of Claims and Interests.

51. The Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code. The evidence in support of the Plan that was proffered or adduced at the Confirmation Hearing, including the Evans Declaration, the Mosley Declaration, the PJT Report, the INEXS Report, the liquidation analysis attached to the Disclosure Statement as Exhibit E, and the facts and circumstances of these Chapter 11 Cases: (a) is reasonable, persuasive, credible, and accurate as of the dates such evidence was prepared, presented, or proffered; (b) utilizes reasonable and appropriate methodologies and assumptions; (c) has not been controverted by other evidence; and (d) establishes that holders of Allowed Claims or Interests in each Class will recover at least as much under the Plan on account of such Claim or Interest, as of the Effective Date, as such holder would receive if the Debtors were liquidated, on the Effective Date, under chapter 7 of the Bankruptcy Code.

8. Section 1129(a)(8)—Conclusive Presumption of Acceptance by Unimpaired Classes.

52. Classes 1, 2, and 4, and Classes 8 and 9 to the extent Unimpaired under the Plan, are each Classes of Unimpaired Claims or Interests that are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code.

53. Because the Plan has not been accepted by Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.), and the Deemed Rejecting Classes, the Debtors seek Confirmation under section 1129(b), rather than section 1129(a)(8), of the Bankruptcy Code. Thus, although section 1129(a)(8) has not been satisfied with respect to Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.), and the Deemed Rejecting Classes, the Plan is confirmable because the Plan does not discriminate unfairly and is fair and equitable with respect to Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.), and the Deemed Rejecting Classes and thus satisfies section 1129(b) of the Bankruptcy Code with respect to each such Class as described further below.

9. Section 1129(a)(9)—Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code.

54. The treatment of DIP Facility Claims, Administrative Claims, Professional Fee Claims, and Priority Tax Claims under Article II of the Plan satisfies the requirements of, and complies in all respects with, section 1129(a)(9) of the Bankruptcy Code.

10. Section 1129(a)(10)—Acceptance by at Least One Impaired Class.

55. As set forth in the Voting Report, all Voting Classes are impaired and each Voting Class other than Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), and Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.) has voted to accept the Plan by the requisite number and amount of Claims, determined without including any acceptance of the Plan by any insider (as that term is defined in section 101(31) of the Bankruptcy Code). Accordingly, the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

11. Section 1129(a)(11)—Feasibility of the Plan.

56. The Plan satisfies section 1129(a)(11) of the Bankruptcy Code. The evidence in support of the Plan that was proffered or adduced before and at the Confirmation Hearing, including the Mosley Declaration, the PJT Report, the INEXS Report, and the financial projections attached to the Disclosure Statement as Exhibit F: (a) is reasonable, persuasive, credible, and accurate as of the dates such evidence was prepared, presented, or proffered; (b) utilizes reasonable and appropriate methodologies and assumptions; (c) has not been controverted by other evidence; (d) establishes that the Plan is feasible and Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization

of the Reorganized Debtors or any successor to the Reorganized Debtors under the Plan; and (e) establishes that the Reorganized Debtors will have sufficient funds available to meet their obligations under the Plan.

12. Section 1129(a)(12)—Payment of Bankruptcy Fees.

57. The Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code. Article II.E of the Plan provides for the payment of all fees payable by the Debtors, or the Reorganized Debtors, as applicable, under section 1930(a) of the Judicial Code.

13. Section 1129(a)(13)—Retiree Benefits.

58. The Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code. Section 1129(a)(13) of the Bankruptcy Code requires a plan to provide for retiree benefits (as defined in section 1114 of the Bankruptcy Code) at levels established pursuant to section 1114 of the Bankruptcy Code. The Debtors have not obligated themselves to provide retiree benefits and therefore the requirements under section 1129(a)(13) of the Bankruptcy Code are inapplicable.

14. Section 1129(b)—Confirmation of Plan Over Non-Acceptance of Impaired Class.

59. The Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code. Notwithstanding the fact that Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.), and the Deemed Rejecting Classes have not accepted the Plan, the Plan may be confirmed because: (a) each other Voting Class voted to accept the Plan; (b) the Plan satisfies all requirements of section 1129(a) of the Bankruptcy Code other than section 1129(a)(8); and (c) the Plan does not

discriminate unfairly and is fair and equitable with respect to Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.), and the Deemed Rejecting Classes because there is no Class of equal priority receiving more favorable treatment than Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.), or the Deemed Rejecting Classes and no Class that is junior to Class 7 (General Unsecured Claims—Bakken Hunter Canada, Inc.), Class 7 (General Unsecured Claims—Hunter Aviation, LLC), Class 7 (General Unsecured Claims—Hunter Real Estate, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Marketing, LLC), Class 7 (General Unsecured Claims—Magnum Hunter Production, Inc.), or the Deemed Rejecting Classes is receiving or retaining any property on account of their Claims or Interests. The Plan may therefore be confirmed even though not all Impaired Classes have voted to accept the Plan.

15. Section 1129(c)—Only One Plan.

60. The Plan satisfies the requirements of section 1129(c) of the Bankruptcy Code. The Plan (including previous versions thereof) is the only chapter 11 plan filed in these Chapter 11 Cases.

16. Section 1129(d)—Principal Purpose of the Plan.

61. The Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act.

O. Satisfaction of Confirmation Requirements.

62. Based upon the foregoing, the Plan satisfies the requirements for plan confirmation set forth in section 1129 of the Bankruptcy Code.

P. Non-Insider Bonus Program

63. Based on the facts and record of these Chapter 11 Cases, the record of the Confirmation Hearing, and the Mosley Declaration, no participant in the Non-Insider Bonus Program is an "insider" as that term is defined in section 101(31) of the Bankruptcy Code and the Non-Insider Bonus Program otherwise complies with all applicable provisions of the Bankruptcy Code.

Q. Good Faith.

64. The Debtors have proposed the Plan in good faith, with the legitimate and honest purposes of reorganizing the Debtors' balance sheet and maximizing the value of the Debtors' Estates for the benefit of their stakeholders. The Plan gives effect to many of the Debtors' restructuring initiatives, including the near-complete deleveraging of the Debtors' balance sheet. Accordingly, the Debtors and all of their respective members, officers, directors, agents, financial advisers, attorneys, employees, partners, affiliates, and representatives have been, are, and will continue to act in good faith if they proceed to: (a) consummate the Plan, and the agreements, settlements, transactions, and transfers contemplated thereby (including the Restructuring Transactions); and (b) take the actions authorized and directed or contemplated by this Confirmation Order. Therefore, the Plan has been proposed in good faith to achieve a result consistent with the objectives and purposes of the Bankruptcy Code.

R. Disclosure: Agreements and Other Documents.

65. The Debtors have disclosed all material facts, to the extent applicable, regarding: (a) the adoption of the New Organizational Documents or similar constituent documents; (b) the

identity of known members of the New Board; (c) the method and manner of distributions under the Plan; (d) the issuance of New Common Equity; (e) the adoption, execution, and implementation of the other matters provided for under the Plan, including those involving corporate or limited liability company (as applicable) action to be taken by or required of the Debtors, or Reorganized Debtors, as applicable; (f) all compensation plans, including the Management Incentive Plan; (g) securities registration exemptions; (i) the exemption under section 1146(a) of the Bankruptcy Code; and (j) the adoption, execution, and delivery of all contracts, leases, instruments, securities, releases, indentures, and other agreements related to any of the foregoing.

S. Conditions to Confirmation Date.

66. Entry of this Confirmation Order shall satisfy the applicable conditions to the Confirmation Date as set forth in Article IX.A of the Plan.

T. Conditions to Effective Date.

67. Entry of this Confirmation Order shall satisfy the applicable condition to the Effective Date as set forth in Article IX.B of the Plan, *provided, that*, this Confirmation Order shall not have been stayed, modified, or vacated on appeal. The conditions precedent to Confirmation of the Plan and the Effective Date set forth in Article IX of the Plan may be waived only by consent of the Debtors and the Majority Backstoppers (and, with respect to waivers of the conditions precedent in Article IX.B.1, B.11, B.13, B.16, B.21, and any other waivers of conditions precedent that would materially and adversely affect the treatment of Allowed General Unsecured Claims, the Committee) without notice, leave, or order of the Court or any formal action other than proceedings to confirm or consummate the Plan.

U. Implementation.

68. All documents and agreements necessary to implement the Plan, including those contained in the Plan Supplement, and all other relevant and necessary documents (including, without limitation, the New Organizational Documents) have been negotiated in good faith and at arm's-length, are in the best interests of the Debtors, and shall, upon completion of documentation and execution, be valid, binding, and enforceable documents and agreements not in conflict with any federal, state, or local law.

II. ORDER

BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS ORDERED, ADJUDGED, AND DECREED THAT:

A. Order.

69. The Plan, attached hereto as **Exhibit A**, is approved in its entirety and confirmed under section 1129 of the Bankruptcy Code. The terms of the Plan, including the Plan Supplement, are incorporated by reference into and are an integral part of this Confirmation Order. The documents contained in the Plan Supplement, and any amendments, modifications, and supplements thereto, and all documents and agreements related thereto (including all exhibits and attachments thereto), and the execution, delivery, and performance thereof, are authorized and approved as finalized, executed, and delivered. The failure to include or refer to any particular article, section, or provision of the Plan, the Plan Supplement, or any related document or exhibit does not impair the effectiveness of that article, section, or provision; it being the intent of the Court that the Plan, the Plan Supplement, and any related document or exhibit are approved and confirmed in their entirety. The terms of the Plan, the Plan Supplement, all exhibits thereto, and all other relevant and necessary documents shall be effective and binding as of the Effective Date.

B. Objections.

70. All objections to Confirmation of the Plan have been withdrawn, waived, or otherwise resolved by the Debtors prior to entry of this Confirmation Order. To the extent that any objections (including any reservations of rights contained therein) to Confirmation of the Plan (including the payment or amount of the cure amounts with respect to any Assumed Contract, or the assumption by the Debtors of any of the Assumed Contracts) have not been withdrawn, waived, or settled prior to entry of this Confirmation Order, are not cured by the relief granted herein, or otherwise resolved as stated by the Debtors on the record of the Confirmation Hearing, all such objections are overruled on the merits.

C. Amendment of the Plan.

71. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and subject to the limitations contained in the Plan, the Debtors expressly reserve their rights to alter, amend, or modify the Plan (*provided that* such alterations, amendments, or modifications are in form and substance acceptable to the Majority Backstoppers and, with respect to alterations, amendments, or modifications that would materially and adversely affect the treatment of Allowed General Unsecured Claims, the Committee) with respect to the Debtors, one or more times, after Confirmation, and, to the extent necessary and with the consent of the Majority Backstoppers (and with respect to alterations, amendments, or modifications that would materially and adversely affect the treatment of Allowed General Unsecured Claims, the Committee), may initiate proceedings in the Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or this Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan.

D. Plan Classification Controlling.

72. The terms of the Plan shall solely govern the classification of Claims and Interests for purposes of the distributions to be made thereunder. The classifications set forth on the ballots tendered to or returned by the holders of Claims in connection with voting on the Plan: (a) were set forth thereon solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of Claims and Interests under the Plan for distribution purposes; (c) may not be relied upon by any holder of a Claim or Interest as representing the actual classification of such Claim or Interest under the Plan for distribution purposes; and (d) shall not be binding on the Debtors except for voting purposes.

E. General Settlement of Claims.

73. Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies resolved pursuant to the Plan. All distributions made to holders of Allowed Claims in any Class are intended to be and shall be final.

F. Vesting of Assets in the Debtors.

74. Except as otherwise provided in the Plan, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors, including Interests held by the Debtors in Non-Debtor Subsidiaries, pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances; *provided* that the property of each Estate, all Causes of Action, and any property acquired by any of the Debtors shall not vest in the Reorganized Debtors free and clear of (a) any

Claims and Interests arising pursuant to contracts assumed or rejected via the Plan, Plan Supplement, or the Confirmation Order, or otherwise, or (b) any existing covenants running with the land and such covenants shall be unaffected by the Plan and this Confirmation Order. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

75. After the Effective Date, the Reorganized Debtors may present Court order(s) or assignment(s) suitable for filing in the records of every county or governmental agency where the property vested in accordance with the foregoing paragraph is or was located, which provide that such property is conveyed to and vested in the Reorganized Debtors. The Court order(s) or assignment(s) may designate all Liens, Claims, encumbrances, or other interests which appear of record and/or from which property is being transferred, assigned, and/or vested free and clear of, except as otherwise provided in the Plan. The Plan shall be conclusively deemed to be adequate notice that such Lien, Claim, encumbrance, or other interest is being extinguished and no notice, other than by the Plan, shall be given prior to the presentation of such Court order(s) or assignment(s). Any Person having a Lien, Claim, encumbrance, or other interest against any of the property vested in accordance with the foregoing paragraph shall be conclusively deemed to have consented to such transfer, assignment, and vesting of such property to or in the Reorganized Debtors free and clear of all Liens, Claims, charges, or other encumbrances by failing to object to confirmation of the Plan, except as otherwise provided in the Plan or this Confirmation Order.

G. Approval of Restructuring Transactions.

76. On the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized Debtors, with the consent of the Majority Backstoppers, shall take all actions as may be necessary or appropriate to effect the transactions described in, approved by, contemplated by, or necessary to effectuate the Restructuring Support Agreement and the Plan, including: (a) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (d) all transactions necessary to provide for the purchase of some or substantially all of the assets or Interests of any of the Debtors, which transactions shall be structured in the most tax efficient manner, including in whole or in part as a taxable transaction for United States federal income tax purposes, as determined by the Debtors and the Majority Backstoppers; (e) the execution and delivery of the Exit Financing Documents; and (f) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

H. Corporate Existence.

77. Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor

shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form or entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and by-laws (or other analogous formation documents) are amended, with the consent of the Majority Backstoppers, by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

I. **Approval of Exit Financing.**

78. On the Effective Date, the Reorganized Debtors shall enter into the Exit Financing, the terms of which will be set forth in the Exit Financing Documents.

79. This Confirmation Order constitutes approval of the Exit Financing (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Debtors or the Reorganized Debtors, with the consent of the Majority Backstoppers, in connection therewith), to the extent not approved by the Court previously, and the Reorganized Debtors, with the consent of the Majority Backstoppers, are authorized to execute and deliver those documents necessary or appropriate to obtain the Exit Financing, including the Exit Financing Documents, without further notice to or order of the Court, act, or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person (other than the Majority Backstoppers), subject to such

modifications as the Reorganized Debtors, with the consent of the Majority Backstoppers, may deem to be necessary to consummate the Exit Financing.

80. The Debtors and the Reorganized Debtors, as applicable, shall perform their obligations under the Exit Financing Documents including, without limitation, the payment or reimbursement of any fees, expenses, losses, damages, or indemnities as and when due, and subject to the occurrence of the Effective Date, the Exit Financing Documents shall constitute the legal, valid, and binding obligations of the Debtors and the Reorganized Debtors, as applicable, and shall be enforceable in accordance with their respective terms.

81. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Financing Documents, including, without limitation, the Liens on the equity interests of Eureka Hunter Holdings, LLC (to the extent North Haven Infrastructure Partners II Buffalo Holdings LLC ("NHIP II") consents to such Liens): (a) shall be deemed to be approved; (b) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Financing Documents; (c) shall be deemed perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Financing Documents, and with priorities established in respect thereof under the Exit Financing Documents (including the intercreditor agreement referenced therein) and applicable non-bankruptcy law; and (d) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the Person and Entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and

consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of the Plan and the Confirmation Order, and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties. To the extent that any holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan, or any agent for such holder, has filed or recorded publicly any Liens and/or security interests to secure such holder's Secured Claim, then as soon as practicable on or after the Effective Date, such holder (or the agent for such holder) shall take any and all steps requested by the Debtors, the Reorganized Debtors, or any administrative agent under the Exit Facility Documents that are necessary to cancel and/or extinguish such publicly-filed Liens and/or security interests, in each case all costs and expenses in connection therewith to be paid by the Debtors or the Reorganized Debtors.

82. Notwithstanding anything to the contrary in this Confirmation Order or the Plan, the obligations of the Debtors or the Reorganized Debtors, as applicable, pursuant to the Exit Financing to indemnify, reimburse, or hold harmless the Exit Financing Lenders, the Exit Financing Agent, or any other Person, in each case, shall not be discharged or impaired by confirmation or consummation of the Plan but shall survive unaffected by the reorganization contemplated by the Plan and shall be performed and honored by the Debtors or Reorganized Debtors, as applicable, regardless of such confirmation, consummation, and reorganization.

83. Notwithstanding anything to the contrary in this Confirmation Order or the Plan, to the extent provided in the Exit Financing Documents, the Bankruptcy Court's retention of jurisdiction shall not govern the enforcement of any rights or remedies relating to, or any other matters arising under, any or all of the Exit Financing Documents.

J. **Cancellation of Existing Securities.**

84. On the Effective Date, except as otherwise provided in the Plan: (a) the obligations of the Debtors under the DIP Credit Agreement, the Bridge Financing Facility, the Second Lien Credit Agreement, and the Indenture, all Interests in MHRC, and each certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest shall be cancelled and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; *provided that* such cancellation of the Second Lien Credit Agreement and such certificates, shares, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents shall be cancelled only with respect to the Debtors and Reorganized Debtors and shall not (subject in all cases to the release provision set forth in Article VIII of the Plan) alter the rights or obligations of any non-Debtor parties vis-à-vis one another with respect to the Second Lien Credit Agreement or such certificates, shares, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents; and (b) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged; *provided that* notwithstanding entry of this Confirmation Order or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the holder of a Claim or Interest shall continue in effect for purposes of enabling holders of Allowed Claims and Allowed Interests to receive distributions under the Plan as provided therein; *provided, further*, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code,

this Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under the Plan; *provided, further*, that nothing in this paragraph shall effect a cancellation of any New Common Equity, Intercompany Interests, or Intercompany Claims.

85. In addition to the foregoing, the Indenture shall continue in effect solely to the extent necessary to: (a) allow a disbursing agent or the Indenture Trustee to make distributions to the Noteholders; (b) permit the Indenture Trustee to assert its Indenture Trustee Charging Lien; (c) allow the Indenture Trustee to maintain any right of indemnification, contribution, subrogation, or any other claim or entitlement it may have under the Indenture; (d) permit the Indenture Trustee to appear before the Bankruptcy Court after the Effective Date; (e) permit the Indenture Trustee to perform any functions that are necessary to effectuate the foregoing; and (f) to exercise its rights and obligations relating to the interests of Noteholders.

86. On and after the Effective Date, all duties and responsibilities of the DIP Facility Agent under the DIP Credit Agreement, the Bridge Facility Agent under the Bridge Financing Facility, the Second Lien Agent under the Second Lien Credit Agreement, and the Indenture Trustee under the Indenture, as applicable, shall be discharged unless otherwise specifically set forth in or provided for under the Plan or the Plan Supplement.

87. If the record holder of the Notes is DTC or its nominee or another securities depository or custodian thereof, and such Notes are represented by a global security held by or on behalf of DTC or such other securities depository or custodian, then each such holder of the Notes shall be deemed to have surrendered such holder's note, debenture, or other evidence of indebtedness upon surrender of such global security by DTC or such other securities depository or custodian thereof.

K. Issuance of New Common Equity.

88. The New Common Equity, including options, or other equity awards, if any, reserved under the Management Incentive Plan, shall be authorized on the Effective Date without the need for any further corporate action and without any further action by the holders of Claims or Interests.

89. All of the shares of New Common Equity issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each issuance and/or distribution of the New Common Equity under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such issuance and/or distribution and by the terms and conditions of the instruments evidencing or relating to such issuance and/or distribution, which terms and conditions shall bind each Entity receiving such distribution or issuance. For the avoidance of doubt, any claimant's acceptance of New Common Equity, including any issuance and/or distribution following the Effective Date of New Common Equity comprising the Unsecured Creditor Equity, shall be deemed as its agreement to the New Shareholders' Agreement, as the same may be amended or modified from time to time following the Effective Date in accordance with its terms.

90. The issuance of and/or distribution of the New Common Equity comprising the Unsecured Creditor Equity, in accordance with Article VI.C of the Plan, shall be authorized on the Effective Date and each Equity Distribution Date without the need for any further corporate action and without any further action by the holders of Claims or Interests.

L. Approval of Consents and Authorization to Take Acts Necessary to Implement Plan.

91. Upon the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved by the Court in all respects, including, as applicable: (a) entry into the Exit Financing; (b) execution and delivery of

the Exit Financing Documents; (c) the issuance of the New Common Equity; (d) selection of the directors and officers for Reorganized MHRC and the other Reorganized Debtors; (e) the right of the New MHRC Board to adopt a Management Incentive Plan on terms and conditions determined by the New MHRC Board in accordance with Article IV.N of the Plan; (f) implementation of the Restructuring Transactions; (g) the Eureka Employee Transfer (in accordance with agreements between and among the Debtors and the Eureka Entities, it being understood that no such agreement shall constitute a waiver of any Claims or Causes of Action between and among the Debtors and the Eureka Entities, except to the extent specifically set forth in such agreement); (h) the appointment of the Creditor Claim Representative; (i) the funding and establishment of the Unsecured Creditor Distribution Trust; and (j) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of Reorganized MHRC and the other Reorganized Debtors, and any corporate action required by the Debtors, Reorganized MHRC, or the other Reorganized Debtors in connection with the Plan (including any items listed in the first sentence of this paragraph) shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors, Reorganized MHRC, or the other Reorganized Debtors, other than the consent of the Majority Backstoppers, as applicable. On or (as applicable) before the Effective Date, the appropriate officers of the Debtors, Reorganized MHRC, or the other Reorganized Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of Reorganized MHRC and the other Reorganized Debtors, including the Exit Financing

Documents and the Unsecured Creditor Distribution Trust Agreement and any and all other agreements, documents, securities, and instruments relating to the foregoing, to the extent not previously authorized by the Court. The authorizations and approvals contemplated by Article IV.F of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

M. The Releases, Injunction, Exculpation, and Related Provisions Under the Plan.

92. The release, exculpation, discharge, injunction and related provisions set forth in Article VIII of the Plan shall be, and hereby are, approved and authorized in their entirety, including, but not limited to:

(a) **Releases by the Debtors.** The Debtor Release provisions set forth in Article VIII.E of the Plan are hereby approved.

(b) Third Party Releases. The Third-Party Release provisions set forth in Article VIII.F of the Plan are hereby approved.

(c) Exculpation. The Exculpation provisions set forth in Article VIII.G of the Plan are hereby approved.

(d) Injunction. The Injunction provisions set forth in Article VIII.H of the Plan are hereby approved.

N. Assumed Contracts and Assumed Liabilities; Cure Amounts; "Adequate Assurance."

93. The provisions governing the treatment of Executory Contracts and Unexpired Leases set forth in Article V of the Plan (including the procedures regarding the resolution of any and all disputes concerning the assumption or rejection, as applicable, of such Executory Contracts and Unexpired Leases) shall be, and hereby are, approved in their entirety.

94. For the avoidance of doubt, on the Effective Date, except as otherwise provided in the Plan, all Executory Contracts or Unexpired Leases will be deemed assumed and assigned to the Reorganized Debtors or their designated assignee in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, regardless of whether such

Executory Contract or Unexpired Lease is set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases attached as Exhibit B to the Plan Supplement [Docket No. 1166], other than, other than: (a) those that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases attached as Exhibit D to the Plan Supplement [Docket No. 1166]; (b) those that have been previously rejected by a Final Order, including those that are subject to a notice issued pursuant to the Contract Procedures Order; (c) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; or (d) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date regardless of whether the requested effective date of such rejection is on or after the Effective Date.

95. Entry of this Confirmation Order shall constitute a Court order approving the assumptions, assumptions and assignments, or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan or the Schedule of Rejected Executory Contracts and Unexpired Leases and the Schedule of Assumed Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts or Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Court authorizing and providing for its assumption under applicable

federal law. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Court on or after the Effective Date.

96. Notwithstanding anything to the contrary in the Plan, (a) the Debtors or the Reorganized Debtors, as applicable, with the consent of the Majority Backstoppers, reserve the right to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time through and including 8 days after the Effective Date and (b) that certain Payment and Indemnity Agreement No. 0828, dated as of February 4, 2010 (as amended and/or supplemented thereto), between the Debtors and US Specialty Insurance Company shall be assumed, and any obligations owed to US Specialty Insurance Company with respect thereto shall be Allowed Administrative Claims under the Plan pursuant to Article II.A of the Plan, without the need for filing further Proofs of Claims or requests for payment of Administrative Claims. Further, to the extent that US Specialty Insurance Company pays any Claim of a third-party on account of its obligations as surety and subrogates to such Claim, such Claim shall not be disallowed pursuant to Article VI.K.1 of the Plan. For the avoidance of doubt, all change in control severance and change in control retention agreements including, without limitation, those agreements (a) between MHRC and Joseph C. Daches, Frank Day, Gary C. Evans, Rick Farrell, Kip Ferguson, James Goodson, Christopher Hewitt, Paul Johnston, Virginia (Ginny) Kadlick, Scott Studdard, Nicole Thurmond, Richard Vickery, and Keith Yankowsky and (b) between MHP and any current or former employees thereof related to a contemplated sale of MHP or its assets to a third party or parties, if any and to the extent executory, shall be deemed rejected as of the Effective Date.

O. Release of Liens.

97. Except as otherwise specifically provided in the Plan, the Exit Financing Documents (including in connection with any express written amendment of any mortgage, deed

of trust, Lien, pledge, or other security interest under the Exit Financing Documents), or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Court and without any action or Filing being required to be made by the Debtors. In addition, at the Debtors' or Reorganized Debtors' sole expense, the DIP Facility Agent and the Second Lien Agent shall execute and deliver all documents reasonably requested by the Debtors, Reorganized Debtors, or administrative agent(s) for the Exit Financing to evidence the release of such mortgages, deeds of trust, Liens, pledges, and other security interests and shall authorized the Reorganized Debtors to file UCC-3 termination statements and other release documentation (to the extent applicable) with respect thereto.

P. Provisions Governing Distributions.

98. The distribution provisions of Article VI of the Plan shall be, and hereby are, approved in their entirety. Except as otherwise set forth in the Plan or this Confirmation Order, the Creditor Claim Representative or the Reorganized Debtors, as applicable, shall make all distributions required under the Plan. The timing of distributions required under the Plan or this Confirmation Order shall be made in accordance with and as set forth in the Plan or this Confirmation Order, as applicable.

Q. Post-Confirmation Notices, Professional Compensation, and Bar Dates.

1. Notice of Entry of the Confirmation Order.

99. In accordance with Bankruptcy Rules 2002 and 3020(c), the Reorganized Debtors shall promptly cause the Notice of Confirmation to be served by United States mail, first class postage prepaid, by hand, or by overnight courier service to all parties served with the Confirmation Hearing Notice; *provided*, that no notice or service of any kind shall be required to be mailed or made upon any Entity to whom the Debtors mailed a Confirmation Hearing Notice, but received such notice returned marked "undeliverable as addressed," "moved, left no forwarding address," or "forwarding order expired," or similar reason, unless the Debtors or Reorganized Debtors have been informed in writing by such Entity, or are otherwise aware, of that Entity's new address. Mailing of the Notice of Confirmation in the time and manner set forth in this paragraph will be good, adequate, and sufficient notice under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c). No further notice is necessary.

100. The Notice of Confirmation will constitute sufficient notice of the entry of this Confirmation Order to filing and recording officers, and will be a recordable instrument notwithstanding any contrary provision of applicable non-bankruptcy law.

2. Other Administrative Claims.

101. The provisions governing the treatment of Allowed Administrative Claims set forth in Article II.A of the Plan are approved in their entirety.

3. Professional Compensation.

102. The provisions governing Professional compensation set forth in Article II.B of the Plan are approved in their entirety.

4. Notice of Subsequent Pleadings.

103. Except as otherwise may be provided in the Plan or herein, notice of all subsequent pleadings in the Chapter 11 Cases after the Effective Date shall be limited to the following parties: (a) the Reorganized Debtors and their counsel; (b) the United States Trustee; (c) counsel for the Backstoppers; (d) any party known to be directly affected by the relief sought therein; and (e) any party that specifically requests additional notice in writing to the Debtors or the Reorganized Debtors, as applicable, or files a request for notice under Bankruptcy Rule 2002 after the Effective Date.

5. Unsecured Creditor Equity Option for Government Units.

104. Any Governmental Unit holding a Claim in Class 7(a) that (a) has not otherwise been afforded the Unsecured Creditor Equity Option and (b) timely files a Proof of Claim on or before the Governmental Bar Date shall receive an equity election form, in a form substantially similar to the Disputed Claims Equity Election Form (as defined in the Disclosure Statement Order) within 14 days of filing such Proof of Claim. To elect the Unsecured Creditor Equity Option, any Governmental Unit must return a completed equity election form within 30 days of service of such form.

R. Exemption from Securities Laws.

105. Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of the New Common Equity, as contemplated by Article V of the Plan, shall be exempt from, among other things, the registration and prospectus delivery requirements of section 5 of the Securities Act and any other applicable state or federal law requiring registration and/or prospectus delivery prior to the offering, issuance, distribution, or sale of Securities. In addition, under section 1145 of the Bankruptcy Code, any Securities contemplated by the Plan, including the New Common Equity, and any and all agreements incorporated therein, shall be

subject to: (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act; (b) compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (c) the restrictions, if any, on the transferability of such Securities and instruments, including those set forth in the New Organizational Documents; and (d) applicable regulatory approval, if any.

106. The New Common Equity is transferable without registration under the Securities Act by any holder that (a) is not an "affiliate" of the Company as defined in Rule 144(a)(1) under the Securities Act, (b) has not been an "affiliate" within three months of such transfer, (c) has not acquired the New Common Equity from an "affiliate" within one year of such transfer, and (d) is not an "underwriter" under section 1145(b) of the Bankruptcy Code.

S. **Exemptions from Taxation.**

107. Pursuant to, and to the fullest extent permitted by, section 1146 of the Bankruptcy Code, any transfers of property pursuant hereto or pursuant to the Exit Financing Documents shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, sales or use tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and this Confirmation Order hereby directs and shall be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax, recordation fee, or governmental assessment and to accept for filing and recordation any instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment. Such exemption specifically applies, without limitation, to: (a) the creation of any mortgage, deed of trust, Lien, or other security interest; (b) the making or assignment of any lease or sublease; (c)

any Restructuring Transaction; (d) the issuance, distribution, and/or sale of any of the New Common Equity and any other Securities of the Debtors or the Reorganized Debtors; and (e) the making or delivery of any deed or other instrument of transfer in furtherance of or in connection with the Plan, including without limitation, (i) any merger agreements, (ii) agreements of consolidation, restructuring, disposition, liquidation, or dissolution, (iii) deeds, (iv) bills of sale, and (v) assignments executed in connection with any Restructuring Transaction occurring under the Plan.

T. Directors' and Officers' Liability Insurance.

108. Effective as of the Effective Date, the Reorganized Debtors shall be deemed to have assumed all D&O Liability Insurance Policies (including tail coverage liability insurance) pursuant to section 365(a) of the Bankruptcy Code. Entry of this Confirmation Order constitutes the Court's approval of the Reorganized Debtors' assumption of each of such D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, entry of this Confirmation Order shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation is deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be filed, and shall survive the Effective Date.

109. Before the Petition Date, the Debtors obtained reasonably sufficient tail coverage (*i.e.*, director, manager, and officer insurance coverage that extends beyond the end of the policy period) under a D&O Liability Insurance Policy for the current and former directors, officers, and managers. After the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce the coverage under any D&O Liability Insurance Policy (including such tail coverage liability insurance) in effect as of the Effective Date, and all members, managers,

directors, and officers of the Debtors who served in such capacity at any time prior to the Effective Date of the Plan shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such members, managers, directors, and/or officers remain in such positions after the Effective Date.

U. **Preservation of Causes of Action.**

110. In accordance with section 1123(b) of the Bankruptcy Code but subject in all respects to Article VIII, Article IV.L, and the last sentence of the first paragraph of Article IV.K of the Plan, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors.

111. No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Causes of Action against it as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against it. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Restructuring Support Agreement or the Plan or a Court order, including, without limitation, pursuant to Article VIII and Article IV.L of the Plan, the Debtors or Reorganized Debtors, as applicable, expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion,

estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to Article IV.K of the Plan include any claim or Cause of Action with respect to, or against, a Released Party except as permitted under Article VIII.E of the Plan.

112. In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided in the Plan, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors, or, if applicable, the Creditor Claims Representative, shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Court.

V. **Certain Environmental Liability.**

113. Nothing in this Confirmation Order or the Plan discharges, releases, precludes, or enjoins: (a) any liability to any Governmental Unit that is not a Claim; (ii) any Claim of a Governmental Unit arising on or after the Confirmation Date: (iii) any police or regulatory liability to a Governmental Unit on the part of any Entity as the owner or operator of property after the Confirmation Date; or (iv) any liability to a Governmental Unit on the part of any Person other than the Debtors or Reorganized Debtors. Nor shall anything in this Confirmation Order or the Plan enjoin or otherwise bar a Governmental Unit from asserting or enforcing, outside this Court, any liability described in the preceding sentence.

W. Procedures for Resolving Claims and Disputes.

114. The procedures for resolving contingent, unliquidated, and disputed Claims contained in Article VII of the Plan shall be, and hereby are, approved in their entirety.

X. Pre- and Post-Emergence Employee Compensation Matters.

115. The Non-Insider Bonus Program, as set forth in Exhibit K to the Plan Supplement [Docket No. 1166] is approved in its entirety. The New Board of Reorganized MHRC is authorized to implement, but shall not be deemed to have adopted or implemented, the Management Incentive Plan, as set forth in Exhibit K to the Plan Supplement [Docket No. 1166]. In no instance shall the implementation of the Management Incentive Plan or the Non-Insider Bonus Program create or be deemed to give rise to an Allowed Administrative Expense Claim, or any other Claim, in these Chapter 11 Cases. Any payments made on account of the Management Incentive Plan or the Non-Insider Bonus Program may be made only by the Reorganized Debtors after the Effective Date and from post-Effective Date funds (and, with respect to the Management Incentive Plan, in the sole discretion of the New Board of Reorganized MHRC).

116. The New Board of Reorganized MHRC is authorized, but not directed, to enter into Post-Emergence Severance Agreements, having the terms described in Exhibit K to the Plan Supplement [Docket No. 1166]. In no instance shall the execution of a Post-Emergence Severance Agreement create or be deemed to give rise to an Allowed Administrative Expense Claim, or any other Claim, in these Chapter 11 Cases. Any payments made on account of a Post-Emergence Severance Agreement may be made only by the Reorganized Debtors after the Effective Date and from post-Effective Date funds.

Y. Effectiveness of All Actions.

117. All actions authorized to be taken pursuant to the Plan and the Exit Financing shall be effective on, prior to, or after the Effective Date pursuant to this Confirmation Order, without further application to, or order of the Court, or further action by the respective officers, directors, managers, members, or stockholders of the Debtors or Reorganized Debtors and with the effect that such actions had been taken by unanimous action of such officers, directors, managers, members, or stockholders.

118. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and the Exit Financing and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplement, the Disclosure Statement, the Exit Financing Documents, and any documents, instruments, securities, or agreements, and any amendments or modifications thereto.

Z. Effect of Conflict Between Plan and Confirmation Order.

119. Except as set forth in the Plan and except as set forth in the next paragraph of this Confirmation Order, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than this Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control in all respects; *provided, however*, with respect to any conflict or inconsistency between this Confirmation Order on the one hand, and the Plan, the Disclosure Statement, the Plan Supplement, or any other document related to or referenced in the Plan (or any exhibits,

schedules, appendices, supplements, or amendments to any of the foregoing) on the other hand, this Confirmation Order shall govern and control.

AA. Reservation of Rights.

120. Prior to the Effective Date, neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, this Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests.

BB. Injunctions and Automatic Stay.

121. Unless otherwise provided in the Plan or in this Confirmation Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 362 of the Bankruptcy Code or otherwise in existence on the Confirmation Date shall remain in full force and effect until the later of the Effective Date and the date set forth in the order providing for such injunction or stay.

CC. Nonseverability of Plan Provisions upon Confirmation.

122. This Confirmation Order constitutes a judicial determination that each term and provision of the Plan, as it may have been altered or interpreted in accordance with Article XII.J of the Plan, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (c) nonseverable and mutually dependent.

DD. Waiver or Estoppel.

123. Each holder of a Claim shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or

their counsel, or any other Entity, if such agreement or the Debtors' or Reorganized Debtors' right to enter into the settlements was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Court or the Notice and Claims Agent prior to the Confirmation Date.

EE. Authorization to Consummate.

124. The Debtors are authorized to consummate the Plan at any time after the entry of this Confirmation Order subject to the satisfaction or waiver (by the required parties) of the conditions precedent to Consummation set forth in Article IX.B of the Plan.

FF. Effect of Non-Occurrence of Conditions to the Effective Date.

125. If the Effective Date does not occur, then: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount any Claim or Class of Claims or any Liens securing any Claim), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (c) nothing contained in the Plan, the Disclosure Statement, or the Restructuring Support Agreement shall: (i) constitute a waiver or release of any Claims by or Claims against or Interests in the Debtors; (ii) prejudice in any manner the rights of the Debtors, any holders of a Claim or Interest, or any other Entity; (iii) constitute an admission, acknowledgement, offer, or undertaking by the Debtors, any holders of Claims or Interests, or any other Entity in any respect; or (iv) be used by the Debtors or any Entity as evidence (or otherwise) in any litigation, including with regard to the strengths or weaknesses of any of the parties' positions, arguments, or claims. If the Effective Date shall not have occurred by May 3, 2016, it shall be a termination event under the Restructuring Support Agreement entitling, but not requiring, a supermajority of the Backstoppers to terminate the Restructuring Support Agreement (as more fully set forth therein), in which case the Effective Date may not occur and, among other things, certain

provisions of the Final DIP Order and Cash Collateral Order may be impacted, as described in more detail therein.

GG. Retention of Jurisdiction.

126. The Court properly retains jurisdiction over these Chapter 11 Cases and all matters arising out of, or related to, these Chapter 11 Cases, the Plan, and this Confirmation Order, including those matters specifically set forth in Article XI of the Plan.

HH. Utility Order.

127. On or as reasonably practicable after the Effective Date, the Reorganized Debtors are authorized to withdraw the funds held in the segregated escrow account pursuant to the *Final Order (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief* [Docket No. 252] (the "Utility Order"), and the Reorganized Debtors shall have no further obligations to comply with the Utility Order. If applicable, all utilities, including any Person or Entity that received a deposit or other form of adequate assurance of performance under section 366 of the Bankruptcy Code during the Chapter 11 Cases in compliance with the Utility Order or otherwise, must return such deposit or other form of adequate assurance of performance to the Debtors or the Reorganized Debtors, as the case may be, on or before the Effective Date, provided that any such utility may apply such deposit or other form of adequate assurance of performance to the Reorganized Debtors' account within 30 days of the Effective Date.

II. US Specialty Insurance Company.

128. Notwithstanding anything to the contrary in this Confirmation Order or the Plan, nothing in this Confirmation Order or the Plan shall be construed to discharge any claims by US

Specialty Insurance Company (and/or its assignee or successor) ("US Specialty") pursuant to and/or related to that certain Payment and Indemnity Agreement No. 0828, dated as of February 4, 2010 (as may have been or may be amended or supplemented from time to time) (the "Indemnity Agreement") against any non-Debtor Entities, including the Eureka Entities; provided that in no event shall MHRC, any of its Debtor Affiliates, or the Reorganized Debtors or their shareholders have any liability or obligation to US Specialty under the Indemnity Agreement in any respect on account of or related to any non-Debtor Entity.

JJ. Kentucky River Coal Company.

129. KRCC Oil & Gas, LLC ("KRCC") is a party to that certain Farmout Agreement dated as of December 11, 2002, by and between Debtor Magnum Hunter Production, Inc. ("MHP") and KRCC (together with any and all ancillary, supplementary, and operating or other agreements and documents incorporated therein or related thereto to which KRCC is a party, the "KRCC Farmout Agreement"). KRCC filed four separate Proofs of Claim in these Chapter 11 Cases asserting a total Secured Claim in the amount of $2,609,032.83 for certain alleged unremitted royalties, overriding royalties, underpayment related to the sale of natural gas liquids, and other amounts arising from and related to the KRCC Farmout Agreement, which agreement is attached to the proofs of claim (the "KRCC Claim"). Kentucky River Properties, LLC ("KRP") is a landowner of certain property that is subject to the KRCC Farmout Agreement and also the lessor under a certain oil and gas lease, under which MHP is the lessee (the "KRP Lease"). KRP filed two separate Proofs of Claim in these Chapter 11 Cases asserting a total secured claim in the amount of $199,147.93 for certain alleged unremitted royalties and other amounts arising from and related to the KRCC Farmout Agreement and the Lease, each of which agreements is attached to the proofs of claim (the "KRP Claim" and, together with the KRCC Claim, the "Kentucky Claim").

130. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, KRCC and KRP, on the one hand and the Debtors, the Reorganized Debtors, and their successors and assigns, on the other, agree that (a) the KRP Lease and the KRCC Farmout Agreement are preserved in their entirety pursuant to Article IV.T of the Plan, (b) KRCC, KRP, and their successors and assigns fully, unconditionally, and completely waive and release any and all claims, causes of action, or defenses related to Royalty and Working Interest payments arising under the KRCC Farmout Agreement or Lease prior to January 2011, and (c) the Kentucky Claim shall be treated and resolved as follows: (i) on account of amounts owed for natural gas under the Farmout Agreement for the period of January 2011, through October, 2013, the Debtors shall pay KRCC $467,346.00 in cash (the "KRCC Cash Payment") on or as soon as reasonably practicable following the Effective Date, but in no event later than 14 days following the Effective Date, in full and final satisfaction of the Kentucky Claim; (ii) the remainder of the Kentucky Claim (the total Kentucky Claim less the KRCC Cash Payment (the "Remaining Kentucky Claim")) and any and all additional claims, interests, rights, causes of action and/or defenses, whether contractual, monetary, equitable, or otherwise, held, alleged, and/or owned by KRCC and/or KRP, including but not limited to all Royalty and Working Interests, against any of the Debtors shall be and hereby are fully preserved in their entirety as against the Reorganized Debtors and their successors and assigns, and shall survive and be wholly unaffected, except as provided herein, by these Chapter 11 Cases, the Plan, including any and all waivers and releases contained in the Plan, and any discharge of Claims or Interests obtained by or granted to the Debtors in these Chapter 11 Cases; and (iii) subject to the foregoing provisions, the Remaining Kentucky Claim shall be and hereby is deemed withdrawn, expunged, and null and void with

respect to the Chapter 11 Cases only (and not with respect to any preserved rights as set forth above) and shall not be entitled to any distribution in the Chapter 11 Cases.

131. The Debtors and Reorganized Debtors reserve and preserve any and all claims, interests, rights, causes of action, and/or defenses, whether contractual, monetary, equitable or otherwise, arising from the KRCC Farmout Agreement and/or the Lease; *provided* that the Debtors, the Reorganized Debtors, and their successors and assigns fully, unconditionally, and completely waive and release any and all claims, interests, causes of action, or defenses related to Royalty and Working Interest payments in any way related to the KRCC Cash Payment made pursuant to the preceding paragraph and any and all claims, causes of action, or defenses arising under the Farmout Agreement or Lease prior to January 2011.

KK. EQT Production Company.

132. EQT Production Company ("EQT") is a party to 11 Farmout Agreements by and between EQT and MHP (together with any and all ancillary, supplementary, and operating or other agreements and documents incorporated therein or related thereto to which EQT is a party, the "EQT Farmout Agreements"). EQT filed a Proof of Claim in these Chapter 11 Cases asserting a Secured Claim in the amount of $5,896,907.00 for certain alleged unremitted royalties, overriding royalties, underpayment for the sale of natural gas liquids, and other amounts arising from and related to the EQT Farmout Agreements (the "EQT Claim"). Notwithstanding anything to the contrary in the Plan or this Confirmation Order, EQT, the Debtors and the Reorganized Debtors, and their successors and assigns agree that (a) the EQT Farmout Agreements are preserved in their entirety pursuant to Article IV.T of the Plan and (b) the EQT Claim shall be treated and resolved as follows: (i) on account of amounts owed for natural gas under the EQT Farmout Agreements for the period of January, 2011 through October, 2013 the Debtors shall pay EQT $1,833,780.00 (the "EQT Cash Payment") on or as soon as

reasonably practicable following the Effective Date, but in no event later than 14 days following the Effective Date, in full and final satisfaction of and solely to the extent of the EQT Cash Payment portion of the EQT Claim; (ii) the remainder of the EQT Claim (the total EQT Claim less the EQT Cash Payment (the "Remaining EQT Claim") and any and all additional claims, interests, rights, causes of action, and/or defenses, whether contractual, monetary, equitable, or otherwise, held, alleged, and/or owned by EQT, including but not limited to all Royalty and Working Interests against any of the Debtors shall be and hereby are fully preserved in their entirety as against the Reorganized Debtors and their successors and assigns, and shall be wholly unaffected, except as provided herein, by these Chapter 11 Cases, the Plan, including any and all waivers and releases contained in the Plan, and any discharge of Claims or Interests obtained by or granted to the Debtors in these Chapter 11 Cases; and (iii) subject to the foregoing preservation provision, the Remaining EQT Claim shall be and hereby is deemed withdrawn, expunged, and null and void with respect to the Chapter 11 Cases only (and not with respect to any preserved rights set forth above) and EQT shall not be entitled to any distribution in the Chapter 11 Cases.

133. The Debtors and the Reorganized Debtors reserve and preserve any and all claims, interests, rights, causes of action, and/or defenses, whether contractual, monetary, equitable, or otherwise, arising from the EQT Farmout Agreements; *provided* that the Debtors, the Reorganized Debtors, and their successors and assigns fully, unconditionally, and completely waive and release any and all claims, interests, causes of action, or defenses in any way related to the EQT Cash Payment made pursuant to the preceding paragraph.

LL. Assumption of EM Energy Contracts.

134. The Debtors' Executory Contracts with EM Energy Ohio, LLC ("EM Energy"), listed as contracts 424, 425, and 426 as set forth on Exhibit B to the third amended Plan

Supplement [Docket No. 1166] (collectively, the "EM Energy Contracts") shall be assumed effective as of the Effective Date with an aggregate cure amount of $345,649.17, which amount shall be paid to EM Energy in accordance with Article V of the Plan in full and final satisfaction of all amounts owed to EM Energy as of the Effective Date. Notwithstanding anything to the contrary contained in the Plan or this Confirmation Order, the Debtors shall have no right to revoke their election to assume the EM Energy Contracts. Upon the assumption of the EM Contracts, all rights and obligations of EM Energy and the Debtors shall be retained and/or reinstated including, for the avoidance of doubt, all rights and obligations under Article VII.B of that certain A.A.P.L. Form 610-1989 Model Form Operating Agreement dated June 13, 2014, and such rights and obligations shall not be released or discharged pursuant to the Plan or this Confirmation Order. For the avoidance of doubt, the provisions of Article VIII.J of the Plan shall not apply to the EM Energy Contracts and all recoupment rights thereunder are expressly preserved and such recoupment rights are not subject to post-discharge injunction.

MM. Assumption of Federal Leases.

135. The Department of the Interior of the United States ("Interior") consents to the proposed assumption and/or assignment of any and all interests in the federal mineral leases and other agreements related thereto listed as contracts numbers 3-6 and 24-48 on Exhibit B to the third amended Plan Supplement [Docket No. 1166] (collectively, the "Federal Leases"), subject to on the Effective Date or the date of assumption and/or assignment if any of the Federal Leases are assumed and/or assigned following the Effective Date (a) the full payment to the Office of Natural Resources Revenue ("ONRR") of any and all monies asserted by Interior to be owed by the Debtors as determined by ONRR, (b) the assumption of any decommissioning obligations under the Federal Leases being assumed and/or assigned, and (c) the assumption of any financial assurance requirements under the Federal Leases being assumed and/or assigned. Interior will

retain and have the right to audit and/or perform any compliance review, and if appropriate, collect from the Debtors and/or their successors and assigns (including the Reorganized Debtors), in full any additional monies owed by the Debtors prior to the assumption of the Federal Leases, including any amounts determined by ONRR to be owed by the Debtors for pre- and post-petition royalties, including interest accrual through the date(s) of receipt by ONRR of payment on account of any such amount(s) without those rights being adversely affected by these Chapter 11 Cases. The Debtors, and their successors and assigns (including the Reorganized Debtors) will retain all defenses and/or rights, other than defenses and/or rights arising from these Chapter 11 Cases, to challenge any such determination; *provided*, however, that any such challenge, including any challenge associated with these Chapter 11 Cases, must be raised in the United States' administrative review process leading to a final agency determination by the ONRR. The audit and/or compliance review period shall remain open for the full statute of limitations period established by the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (30 U.S.C. § 1702, et seq,). Furthermore, the Debtors agree to assume decommissioning obligations for all wells located on Federal Leases to be assumed by the Debtors, or shall cause the assignee of any such Federal Leases to assume such decommissioning obligations. Nothing herein shall affect Interior's right to assert, against Debtors and their estates, any decommissioning liability and/or claim arising from the Debtors' interest in any Federal Leases not assumed and/or assigned by the Debtors. The assignment of any interest in a Federal Lease shall be filed in the proper Bureau of Land Management, State Office and will be ineffective unless the United States consents to the assignment. Moreover, nothing in this Confirmation Order or the Plan discharges, releases, precludes, or enjoins: (a) any environmental liability, which includes without limitation any environmental liability and

remediation under 25 C.F.R. Parts 211 and/or 212, to any Governmental Unit that is not a Claim; (b) any environmental Claim of any Governmental Unit arising on or after the Effective Date; (c) any environmental liability to any Governmental Unit on the part of any entity as the owner or operator of property after the Effective Date; or (d) any liability to the United States on the part of any Person or entity other than the Debtors or Reorganized Debtors. Nothing in this Confirmation Order or the Plan divests any tribunal of any jurisdiction it may have under environmental law to interpret the Plan or this Confirmation Order or any matter relating thereto.

NN. Schneider Parties.

136. On the Effective Date, as further memorialized in that certain Surrender and Release of Oil and Gas Lease (the "Schneider-Becks Release"), in full and final satisfaction of any and all claims of the Lessors (as defined below) arising from or relating to the Schneider-Becks Lease (as defined below), Debtor Triad Hunter, LLC on behalf of itself, its affiliated debtors, and its successors and assigns, does hereby release any and all right title, and interest, whatsoever acquired or held in that certain oil and gas lease (the "Schneider-Becks Lease") entered into by and between William D. Schneider & Judy Schneider, husband and wife, Cecil D. Schneider & Robin L. Schneider, husband and wife, Robert F. Beck & Sandra F. Beck, husband and wife, and Harold Thomas Beck & Susan Beck, husband and wife, (collectively, the "Lessors") and MNW Energy, LLC, as Lessee, dated the 1st day of December, 2014, and for which a memorandum of oil and gas lease was recorded in the Office of the Recorder in and for Washington County, Ohio in Volume 576, Page 975, covering 122.47 acres, more or less, in Independence Township, Washington County, Ohio, Tax Parcel No. 170061956000 (the "Property"). The Debtors agree to execute and record the Schneider-Becks Release and any and all additional documents and instruments necessary or appropriate to effectuate the termination of the Schneider-Becks Lease no later than ten (10) days following the Effective Date. In

consideration of the forgoing, on the Effective Date, any and all proofs of claim filed by the Lessors arising from or related to the Schneider-Becks Lease shall be deemed withdrawn with prejudice, null and void and of no effect, and the Lessors agree not to file any other proofs of claim or assert any other claims in the Debtors' cases on account of the Schneider-Becks Lease. Any claim scheduled by the Debtors in favor of the Lessors and relating to the Schneider-Becks Lease shall be deemed expunged and null and void and of no effect.

OO. Post Oak Houston Real Estate Holding, Inc.

137. Notwithstanding anything contained in this Confirmation Order, the Plan or any provision of the Bankruptcy Code, Post Oak Houston Real Estate Holding, Inc. ("Houston Post Oak") is authorized to setoff and recoup the $11,630.08 security deposit it holds pursuant to the Lease Agreement by and between Magnum Hunter Resources Corporation, as lessee, and Houston Post Oak, as lessor against its rejection damage claim in the amount of $369,086.04 (the "Post Oak Claim") evidenced by the proof of claim filed by Houston Post Oak on February 26, 2016 . Upon application of the security deposit to the Post Oak Claim, the Post Oak Claim shall be reduced by the amount of the security deposit and allowed in the amount of $357,455.96 and treated as a General Unsecured Claim in Class 7(a) pursuant to the terms of the Plan.

PP. Bank of Montreal.

138. Notwithstanding anything contained in this Confirmation Order, the Plan or any provision of the Bankruptcy Code, Bank of Montreal, as letter of credit issuer ("BMO") under that certain Fourth Amended and Restated Credit Agreement, dated as of October 22, 2014 and amended through November 30, 2015 among BMO, Magnum Hunter Resources Corporation and the other parties thereto under which, *inter alia*, certain letters of credit were issued and are still outstanding (the "Continuing L/Cs"): (a) remains the holder of a present and continuing security interest in Cash Collateral (as defined in, and subject to the terms of, the payoff letter attached as

Exhibit 1 to BMO's proof of claim (Claim No. 1832)) as security for all of the obligations of the Debtors in respect of the Continuing L/Cs and fees, charges, costs and expenses with respect thereto; (b) shall be entitled to apply the Cash Collateral to satisfy any such obligations, including, without limitation, any reimbursement and related obligations following any draw on the Continuing L/Cs, without further order from the Court or relief from the automatic stay; (c) is under no obligation to renew the Continuing L/Cs beyond their current expiration dates; and (d) to the extent it elects to renew any such Continuing L/Cs, as an accommodation to the Debtors, shall remain entitled in all respects to the benefit of the Cash Collateral as security for all of the obligations of the Debtors in respect of such renewed Continuing L/Cs, except as otherwise may be agreed in writing by the Debtors and BMO.

QQ. R&R Trucking, L.L.C. Settlement.

139. R&R Trucking, L.L.C., in full and final satisfaction of any and all Claims, and in lieu of any other recovery it may be entitled to pursuant to the Plan or otherwise, has agreed to accept payment in kind in the form of a certain truck known as the 1981 Mack, vin number 1M2N178YXVA071219, W/Wilson Double Pole Drawworks. This treatment, consistent with the requirements of Article III of the Plan, provides a less favorable form of treatment than that otherwise prescribed for holders of Class 7(a) General Unsecured Claims and is hereby approved.

RR. Administrative Order on Consent.

140. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, nothing in the Plan or this Confirmation Order shall release, nullify, preclude, or enjoin the enforcement of the Debtors' obligations under that certain Administrative Order on Consent dated as of September 16, 2013 by and between the United States Environmental Protection

Agency and Debtor Triad Hunter, LLC [Docket No. CWA-03-2013-0181DW], which order shall remain in full force and effect.

SS. Internal Revenue Service.

141. Notwithstanding anything to the contrary in the Plan, this Confirmation Order, or any documents implementing the Plan (collectively, "Documents"), nothing shall: (a) affect the ability of the Internal Revenue Service ("IRS") to pursue any non-Debtors to the extent allowed by non-bankruptcy law for any liabilities that may be related to any federal tax liabilities owed by the Debtors or the Debtors' Estates; (b) affect the rights of the United States to assert setoff and recoupment and such rights are expressly preserved; (c) discharge any claim of the IRS described in section 1141(d)(6) of the Bankruptcy Code; or (d) require the IRS to file an administrative claim in order to receive payment for any liability described in section 503(b)(1)(B) and (C) of the Bankruptcy Code. To the extent the IRS's Priority Tax Claims (including any penalties, interest, or additions to tax entitled to priority under the Bankruptcy Code), if any, are not paid in full in cash on the Effective Date, the IRS's Priority Tax Claims shall accrue interest commencing on the Effective Date at the rate and method set forth in 26 U.S.C. sections 6621 and 6622. Administrative Claims of the IRS allowed pursuant to the Plan or section 503 of the Bankruptcy Code, if any, shall accrue interest and penalties as provided by non-bankruptcy law until paid in full. Moreover, nothing in this Confirmation Order or the Documents shall: (a) be construed as a compromise or settlement of any IRS Claim or Interest; (b) effect a release, discharge, or otherwise preclude any claim whatsoever against any Debtor by or on behalf of the IRS relating to any liability arising out of any unfiled prepetition or postpetition tax return or any pending audit or audit which may be performed with respect to any prepetition or postpetition tax return; and (c) nothing shall enjoin the IRS from amending any Claim against any Debtor with respect to any tax liability arising as a result of the filing of an

unfiled return or a pending audit or audit that may be performed with respect to any prepetition or postpetition tax return. Further, any liability arising as a result of an unfiled return or final resolution of a pending audit or audit which may be performed with respect to any pre-petition tax return shall be paid in accordance with sections 1129(a)(9)(A) and (C) of the Bankruptcy Code.

TT. North Haven Infrastructure Partners II[3]

142. The agreements embodied in the term sheets between NHIP II, the Eureka Entities, and the Debtors, as set forth in Exhibit M to the Plan Supplement [Docket No. 1166] (the "Eureka Term Sheets"), represent binding agreements in principal to the extent specifically set forth therein for a settlement of all claims and controversies between the Debtors, the Eureka Entities, and NHIP II, including, for the avoidance of doubt, the *Objection of Eureka Hunter Pipeline, LLC to (I) Confirmation of, and Its Treatment Under, the Second Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and Its Debtor*

[3] The provisions of paragraphs 142, 143, and 144 apply in the event the parties agree to the agreement in principal embodied in the Eureka Term Sheets prior to the conclusion of the Confirmation Hearing. In the event the Debtors, NHIP II, and the Eureka Entities are unable to agree to the agreement in principal embodied in the Eureka Term Sheets prior to the conclusion of the Confirmation Hearing, with respect to the Eureka Term Sheets, nothing in this Plan, the Plan Supplement, or this Confirmation Order shall be an order approving (a) the assumption or rejection of any executory contracts by and between the Debtors and any of the Eureka Entities, including the Second Amended & Restated Limited Liability Company Agreement of Eureka Hunter Holdings, LLC dated as of October 3, 2014 (the "Eureka LLC Agreement") to the extent executory (collectively, the "Eureka Contracts"), (b) the Cure Amount arising from the assumption of forbearance letter between the Debtors and NHIP II, for itself and on behalf of Eureka Hunter Pipeline, LLC and Eureka Hunter Holdings, LLC, dated as of November 19, 2015, or (c) a determination of any Cure Amount owing as a result of assumption of the Eureka LLC Agreement or any assumption in respect of any executory contracts by and between the Debtors and any of the Eureka Entities. Further, nothing in the Plan or this Confirmation Order shall affect the Debtors' or Eureka Hunter Pipeline LLC's rights and obligations with respect to the Eureka Contracts; *provided, however*, the unless otherwise ordered by the Court, the Plan and the Confirmation Order shall govern the treatment of any Claims arising from any rejection of the Eureka Contracts. The Debtors, NHIP II, and the Eureka Entities reserve all claims, interests, rights, causes of action and/or defenses, whether contractual, monetary, equitable, or otherwise, held, alleged, and/or owned by the Debtors against any NHIP II or the Eureka Entities, on the one hand, or held, alleged, and/or owned by NHIP II or the Eureka Entities against any of the Debtors, on the other hand. The parties will negotiate in good faith to resolve all issues following entry of the Confirmation Order.

Affiliates and (II) Proposed Cure Amount for Assumption of Agreements [Docket No. 1034] (the "Eureka Plan Objection"), *Objection of North Haven Infrastructure Partners II Buffalo Holdings, LLC to Confirmation of, and Its Treatment Under, the Second Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and Its Debtor Affiliates* [Docket No. 1033] (the "NHIP II Plan Objection"), and *Limited Objection and Reservation of Rights of Eureka Hunter Holdings, LLC and Eureka Hunter Pipeline, LLC, Regarding (I) the Plan and Disclosure Statement and (II) Debtors' Scheduling Request Regarding the Plan and Disclosure Statement* [Docket No. 647] (the "Limited Eureka Plan Objection" and, together with the Eureka Plan Objection, and NHIP II Plan Objection, the "Resolved Objections"). In consideration of the forgoing, on the Effective Date, the Resolved Objections and any and all Proofs of Claim for prepetition claims filed by the Eureka Entities or NHIP II shall be deemed withdrawn with prejudice, null and void and of no effect, and the Eureka Entities or NHIP II agree not to file any other Proofs of Claim for prepetition claims or assert any other prepetition Claims in the Chapter 11 Cases. Any prepetition Claim scheduled by the Debtors in favor of the Eureka Entities or NHIP II shall be deemed expunged and null and void and of no effect. Further, the Debtors, the Eureka Entities, and NHIP II agree to withdraw with prejudice within 10 days of entry of this Confirmation Order, *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Reject an Executory Contract with Eureka Hunter Pipeline, LLC and (II) Granting Related Relief* [Docket No. 738] (the "Ritchie Rejection Motion"), *Eureka Hunter Pipeline, LLC's Motion to Withdraw the Reference* [Docket No. 909] (the "Motion to Withdraw" and together with the Ritchie Rejection Motion, the "Resolved Pleadings"). For the avoidance of doubt, the Gas Gathering Agreement in its entirety, including all Individual Transaction Confirmations, as modified by the Eureka Term Sheets, and any definitive

documentation embodying the agreement in principal reflected in the Eureka Term Sheets, is hereby assumed pursuant to section 365 of the Bankruptcy Code.

143. Following entry of this Confirmation Order, the Debtors, the Eureka Entities, and NHIP II shall work in good-faith to negotiate, prepare, and execute as soon as reasonably practicable, definitive agreements, including amendments to the Amended and Restated Gas Gathering Agreement by and among Eureka Hunter Pipeline, LLC, Debtor Triad Hunter, LLC (the "Gas Gathering Agreement"), which will more fully document the binding agreements in principal to the extent specifically set forth in the Eureka Term Sheets and other terms and provisions incidental thereto or reasonably required to avoid ambiguity or inconsistency. With respect to the Eureka LLC Agreement, the parties have a binding agreement in principal only with respect to the items specifically so specified in the Eureka Term Sheets and there is no agreement in principal on the other items relating to the Eureka LLC Agreement. In the event of any dispute regarding the agreement in principal embodied in the Eureka Term Sheets and the requirements for definitive documentation, the Debtors, the Eureka Entities, and NHIP II shall endeavor in good faith to seek to resolve such dispute through collaborative discussion and mediation before resorting to court resolution. For the avoidance of doubt, (a) in the event the Debtors, the Eureka Entities, or NHIP II require court resolution in connection with the need for definitive documentation to reflect the agreement in principal embodied in the Eureka Term Sheets, the Debtors, the Eureka Entities, and NHIP II submit to the exclusive jurisdiction of this Court and (b) this Court shall not have jurisdiction with respect to subsequent disputes arising under the Gas Gathering Agreement or the Eureka LLC Agreement (as they may be amended pursuant to the binding agreements in principal set forth in the Eureka Term Sheets).

144. Except as provided in paragraphs 142 and 143 or the Eureka Term Sheets, nothing in the Plan or this Confirmation Order shall affect any Claim, Interest, or Cause of Action of the Debtors, the Eureka Entities, or NHIP II with respect to each other or third parties including, but not limited to, those rights, Claims, Interests, and Causes of Action arising pursuant to (a) (i) the Gas Gathering Agreement and/or (ii) any individual transaction confirmations thereto and (b) the Eureka LLC Agreement, if any.

145. Except as provided in paragraphs 142 and 143 or the Eureka Term Sheets, nothing in the Plan or the New Organizational Documents, including the New Shareholders Agreement, shall be construed to (a) restrict the operations of the Eureka Entities, (b) affect or impair any rights or obligations of the Reorganized Debtors or the Eureka Entities under any agreements between or among the Reorganized Debtors and the Eureka Entities including the Eureka LLC Agreement, (c) impair the rights or obligations of the Reorganized Debtors or any holder of any interests in the Eureka Entities pursuant to the Eureka LLC Agreement, or (d) affect the provisions in the Eureka LLC Agreement regarding transfers of interests in the Eureka Entities.

146. Notwithstanding anything in the Plan or this Confirmation Order to the contrary, the Eureka Employee Transfer shall not be implemented unless and until the Eureka Entities and the Debtors or the Reorganized Debtors, as applicable, reach an agreement with respect to such transaction.

UU. Eclipse Resources I, LP.

147. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, this Confirmation Order shall not be deemed to be an order authorizing the assumption of that certain Joint Operating Agreement dated as of December 1, 2012 by and between Debtor Triad Hunter, LLC ("Triad") and Eclipse Resources I, LP ("Eclipse") (the "Eclipse Contract") pending entry of a final non-appealable order of the state court in the Lawsuit (as defined in the Order of

this Court Granting the Amended Stipulation by and between the Debtors and Eclipse [Docket No. 364]. Any and all arguments by Eclipse as to Triad breaching its obligations and/or failing to cure its prior breaches of its obligations under the Eclipse Contract are hereby reserved for full and final adjudication by the state court in the Lawsuit. Any and all claims of Eclipse against Triad under the Eclipse Contract, including but not limited to its claims that Triad has failed to meet its obligations and/or failed to cure the prior breaches of its obligations under the Eclipse Contract, are hereby preserved for full and final adjudication by the state court in the Lawsuit. Notwithstanding the foregoing, and for the avoidance of doubt, Eclipse shall not be entitled to any distributions in the Chapter 11 Cases on account of any Claims arising under or relating to the Eclipse Contract or any other Claims against the Debtors other than any Cure Amounts owed in connection with assumption of the Eclipse Contract or any rejection damages claim arising from the rejection of the Eclipse Contract.

VV. Treatment of Claims of Samson Resources Company and Other Related Issues.

148. Magnum Hunter Resources Corporation and its debtor affiliates, as debtors and debtors in possession in the above-referenced chapter 11 cases (collectively, the "Debtors"), and Samson Resources Company ("Samson" and together with the Debtors, collectively, the "Parties"), by and through their counsel, stipulate subject to incorporation into the Plan and this Confirmation Order (the "Confirmation Order") as set forth below (the "Stipulation").

a. WHEREAS, Samson and Baytex Energy USA Ltd. and NuLoch America Corp. entered into a Model Form Operating Agreement dated January 1, 2010, as amended (the "JOA"), and Debtor Bakken Hunter LLC ("Bakken") is the successor in interest to Baytex Energy USA Ltd. and Nuloch America Corp. under the JOA; and

b. WHEREAS, attached as Exhibit "C" to the JOA is the Accounting Procedures – Joint Operations (hereafter "COPAS Agreement");

c. WHEREAS, pursuant to the JOA, Samson is the operator and Bakken is the non-operator; and

d. WHEREAS, on July 2, 2015, Bakken commenced an action against Samson by filing a Complaint in the United States District Court for the District of North Dakota, Northwestern Division, Case No. 4:15-cv-00088 (DLH) (the "Samson Action"), alleging that Samson breached the JOA in the manner described in the Samson Action; and

e. WHEREAS, on August 11, 2015, Samson filed and served its answer and counterclaims ("Samson's Counterclaims") against Bakken in the Samson Action, generally denying Bakken's allegations and asserting its own claims for breach of contract; and

f. WHEREAS, on September 16, 2015 (the "Samson Petition Date"), Samson and certain of its affiliates each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware, Case No. 15-11942 (CSS) (the "Samson Bankruptcy Case"); and

g. WHEREAS, the Samson Action has been stayed as a result of the commencement of the Samson Bankruptcy Case; and

h. WHEREAS, on November 20, 2015, Bakken filed a Proof of Claim (the "Bakken Proof of Claim") against Samson in the Samson Bankruptcy Case that Bakken asserts is based on the same facts alleged in the Samson Action. The Bakken Proof of Claim is disputed by Samson; and

i. WHEREAS, on December 15, 2015 (the "Debtors' Petition Date"), each of the Debtors filed respective voluntary petitions for relief under the Bankruptcy Code (the

"Debtors' Bankruptcy Case") in the United States Bankruptcy Court for the District of Delaware, Case No. 15-12533 (KG) (the "Bankruptcy Court"); and

j. WHEREAS, Samson's Counterclaims have been stayed as a result of the commencement of the Debtors' Bankruptcy Case; and

k. WHEREAS, on February 11, 2016, Samson filed a secured proof of claim in Bakken's chapter 11 case in the amount of $13,909,543.33 styled as proof of claim number 675 (the "Samson Secured Claim"); and

l. WHEREAS, on March 21, 2016, Samson filed an administrative expense claim in Bakken's chapter 11 case in the amount of $2,914,128.26 (the "Samson Administrative Claim") (the Samson Secured Claim and the Samson Administrative Claim shall be collectively referred to as the "Samson Claims"). The Samson Claims are disputed by Bakken; and

m. WHEREAS, Samson contends (and Bakken reserves its right to dispute) that the Samson Claims are secured by valid, perfected first priority statutory, common law and contractual liens and security interests in all of Bakken's right, title and interest in the oil and gas properties covered by the JOA as well as extracted production and revenue therefrom (collectively, the "Samson Liens"); and

n. WHEREAS, on February 25, 2016, the Debtors filed their Second Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and its Debtor Affiliates (the "Plan") [Docket No. 649-1]; and

o. WHEREAS, on February 26, 2016, the Bankruptcy Court entered an order approving the adequacy of the Disclosure Statement for the Second Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and its Debtor Affiliates [Docket No. 671] in the Debtors' Bankruptcy Case;

p. WHEREAS on March 28, 2016, Samson timely submitted a ballot rejecting the Plan and the hearing on confirmation of the Plan is currently scheduled for April 18, 2016; and

q. WHEREAS, the Debtors seek to assume the JOA under the Plan, as will be modified by the Debtors consistent with this Stipulation; and

r. WHEREAS, the Parties wish to resolve their issues while reserving their respective rights, removing any impediment as between them to confirmation of the Plan, and reaching related agreements as embodied herein;

s. NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED as follows:

i. Bakken Claims. On or before any applicable bar date that may be set in the Samson Bankruptcy Case, Bakken may file an administrative claim in either a fixed or unliquidated amount relating to any amounts that Bakken contends are owed by Samson since the Samson Petition Date (the "Bakken Administrative Claim"), which for avoidance of doubt, shall be in addition to any amounts due under the Bakken Proof of Claim (the Bakken Proof of Claim and the Bakken Administrative Claim shall be collectively referred to as the "Bakken Claims"). Subject to paragraph s(x) hereof, Bakken reserves the right to take such actions as necessary in the Samson Bankruptcy Case to safeguard and pursue the Bakken Claims and Samson reserves the right to take such actions as necessary in the Samson Bankruptcy Case to object to, contest, and assert any defenses with respect to the Bakken Claims. The Parties reserve their respective rights concerning the amount, validity, and priority of the Bakken Claims.

ii. Assumption of the JOA. The JOA shall be assumed by the Debtors as of the Effective Date of the Plan consistent with the terms of this Stipulation that will be incorporated by the Debtors in a modified Plan and/or Confirmation Order.

iii. Preservation of "Offset Rights" (defined below) under JOA, the Samson Liens and Applicable Law. Except as otherwise provided in this Stipulation, Samson shall reserve and preserve its right to engage in offsets and recoupment (if any) under the JOA, the Samson Liens and applicable law of all revenue, money, property and proceeds due Bakken under the JOA and applicable law against any debt owing to Samson by Bakken under the JOA (collectively, the "Offset Rights"), and Bakken

reserves and preserves all defenses and claims with respect to the Offset Rights, including (subject, however, to paragraph s(x) hereof) the right to contest the amount of any debt, if any, it owes to Samson.

iv. Continuing Audit under the JOA. The Parties shall cooperate to complete the audit under and pursuant to the terms of the JOA for the years 2013, 2014, and 2015 (the "Audit") as expeditiously as reasonably possible consistent with the terms of the JOA. The Parties acknowledge that as of the Effective Date of the Plan, each Party has been cooperating to complete the Audit as expeditiously as reasonably possible consistent with the terms of the JOA. The Parties further agree that adjustments shall be available to the Parties for the accounting year of 2013 in the same manner and under the same procedures as the year 2014 under the JOA. Notwithstanding any assertions that the time to conduct the Audit of the year 2013 expired, it is agreed and acknowledged that the Parties shall have the right to conduct the Audit for years 2013, 2014, and 2015. If Bakken or Samson reasonably believes that the other respective Party is not cooperating in good faith to complete the Audit as expeditiously as reasonably possible consistent with the terms of the JOA, then no sooner than 20 days after the Effective Date of the Plan, Bakken or Samson may file an adversary proceeding or motion as appropriate seeking to enforce the audit provisions of the JOA with the Bankruptcy Court and request suspension of the deposits of the Escrowed Amounts (as defined below) into the Escrow Account (as defined below) and request that the Bankruptcy Court order such Escrowed Amounts be paid directly to either Bakken or Samson (the "Determination Motion"). Any and all rights, claims and defenses of Samson and Bakken with respect to such Determination Motion shall be and are reserved and preserved.

v. Billings and Payments under the JOA. Notwithstanding anything to the contrary in the JOA, commencing the calendar month following Bakken's first timely JIB payment made pursuant to the JOA and this Stipulation, so long as from and after the Effective Date of the Plan Bakken is not in default under the JOA or the Plan (including the current payments of JIBs) and such default is not a result of Samson's failure to comply with the terms and provisions of the JOA, then Samson shall cease offsetting Bakken's revenue and begin timely remitting to Bakken revenue in the following manner:

(i) Samson shall remit all revenue, money and, proceeds and property due to Bakken under the JOA up to the Prior Month's Reimbursement. For purposes of this Stipulation, the "Prior Month's Reimbursement" shall be defined as the JIB amount paid by Bakken in the previous month *plus* any amounts for which Bakken properly reduced payment in accordance with Article I(3)(B) of COPAS and this Stipulation at the time of payment.

(ii) All revenue, money and proceeds and property in excess of the Prior Month's Reimbursement (the "Escrowed Amounts") shall be placed into an escrow account, to be set up and maintained at Bakken's sole cost and expense, which account shall be maintained by a third party subject to distribution upon either joint instructions of the Parties, or by order of the Bankruptcy Court (the "Escrowed Account"), subject to Samson's Liens and Bakken's and Samson's respective rights under the JOA and hereunder, including the Offset Rights, until such time as the Offset Rights are amicably resolved by the Parties or determined by order of the Bankruptcy Court as set forth below.

vi. Billing and Payment Details. Notwithstanding anything to the contrary in the JOA, in order to facilitate a better operational relationship, the Parties hereby agree to the following:

(i) JIB Receipt and Due Date: JIBs will be deemed received upon the date such JIB is posted by Samson to EnergyLink.

(ii) JIB Dispute and Exceptions: Should Bakken dispute or take exception to any expense included on a JIB, Bakken shall provide in writing such dispute or exception to Samson in accordance with the JOA. Disputes or exceptions shall not be made or received via EnergyLink, provided however that such EnergyLink site shall remain open and available for Bakken to input disputes and exceptions throughout the conclusion of the Audit. The Parties will designate individuals to provide or receive such communications (via email) and will work in good faith to resolve any such disputes or exceptions. Notwithstanding the foregoing, payment shall not be reduced by Bakken unless (i) Samson has agreed to such reduction in writing, or (ii) Bakken has complied with Article I(3)(B) of the COPAS.

vii. Expedited Determination of Offset Rights. The Parties shall endeavor to resolve the issues regarding Samson's asserted Offset Rights. If the Offset Rights cannot be amicably resolved within ten (10) days of the Effective Date of the Plan, then within twenty (20) days of the Effective Date of the Plan, Samson shall file a declaratory judgment action with the Bankruptcy Court seeking a judicial determination on an expedited basis solely of Samson's Offset Rights and Bakken's rights and defenses in connection therewith (the "Declaratory Judgment Action"), and the Parties' respective

rights with respect to the Escrowed Amounts. Bakken reserves the right to answer and otherwise respond to the Declaratory Judgment Action; provided however, that Bakken may not seek any relief other than legal determination of Samson's Offset Rights and Bakken's rights and defenses in connection therewith. The Parties expressly agree and acknowledge that the factual issue of the amount owed to Samson by Bakken or, alternatively, to Bakken by Samson, will not be raised as part of the Declaratory Judgment Action and the exclusive procedure for determining amounts owed to either Samson or Bakken under the JOA is through the provisions of the JOA. Upon the Bankruptcy Court's determination of the Declaratory Judgment Action, the Escrowed Amounts shall be released to either Samson or Bakken as the Bankruptcy Court may determine (the "Court Determination") unless otherwise jointly agreed by the Parties in writing. Samson's agreement to cease exercising its asserted Offset Rights shall remain in effect until the Court Determination; so long as from and after the Effective Date of the Plan Bakken is not in default under the JOA or the Plan (including the current payments of JIBs) and such default is not a result of Samson's failure to comply with the terms and provisions of the JOA. The Parties shall cooperate in seeking to expedite the Court Determination.

viii. Samson Treatment under Plan. The Cure Claim (as defined in the Plan) on account of the assumption of the JOA, which for avoidance of doubt shall be inclusive of the Samson Claims, shall be paid on the terms set forth below:

Amount: Amount of Samson Claims, as determined by the Audit under the JOA and/or mediation proceedings under the JOA subject to reduction in the interim by the exercise of Offset Rights contemplated hereunder.

Security: Samson shall retain any and all properly perfected liens, including the Samson Liens, in the same priority on all property as to which Samson filed liens as of the Petition Date and as permitted by section 546 of the Bankruptcy Code.

Payments: Payment in full of all principal and interest due to either Samson or Bakken shall be due thirty (30) days after conclusion of each respective year's Audit under the JOA or conclusion of mediation under the JOA for each respective year (2013, 2014, and 2015).

Interest Rates:	Seven percent interest per annum commencing on the Debtors' Petition Date and continuing until the Samson Claims are paid in full.
Governing Law and Submission to Non-Exclusive Jurisdiction:	As set forth in the JOA.
Reservation:	Except as provided in this Stipulation, notwithstanding anything to the contrary in the Plan, any Plan Supplement and any Confirmation Order, the Plan and any Confirmation Order shall not alter or modify the Parties' respective statutory, common law and contractual rights with respect to: (x) the JOA; (y) the Samson Claims, Samson's Liens, the Bakken Claims, and all other claims under the JOA or otherwise that currently exist or that may arise in the future; and (z) the Samson Liens shall not be subordinated or "primed" by any other liens of any party.

ix. Satisfaction of Claims. The Samson Claims and the Bakken Claims are deemed disputed in the Debtors' Bankruptcy Case and the Samson Bankruptcy Case respectively and the allowance of either the Samson Claims and the Bakken Claims, as applicable, shall be determined in accordance with the terms of the JOA and this Stipulation as incorporated in the Plan and/or Confirmation Order.

x. No Objection. Based on the terms of this Stipulation, Samson agrees that it shall not object to the Plan, and shall change its vote in favor of the Plan, if requested by Bakken. Samson also agrees not to file any further pleadings or take any further actions in the Debtors' Bankruptcy Case that are inconsistent with this Stipulation and Bakken agrees not to file any further pleadings or take any further actions in the Samson Bankruptcy Case that are inconsistent with this Stipulation. Notwithstanding anything to the contrary herein, the Parties agree that the exclusive remedy for resolution of the amounts owed to Samson by Bakken or, alternatively, to Bakken by Samson shall be through the JOA and audit set forth in paragraph s(iv) hereof and the payment terms set forth in paragraphs s(v) and s(viii) hereof; provided, however, that should either Party default under the terms set forth in this Stipulation as incorporated into the Plan and/or Confirmation Order, the Parties are free to pursue any and all remedies available at law associated with collection of amounts owed.

xi. Relief from Automatic Stay. For avoidance of doubt, the Parties agree that neither Party shall raise or assert the existence of the automatic stay

(to the extent applicable) in any proceeding in either the Samson Bankruptcy Case or the Debtors' Bankruptcy Case to object to the implementation of the terms, conditions and transactions provided under this Stipulation. The Parties also hereby consent to allow the moving Party to obtain an expedited hearing in either the Samson Bankruptcy Case or the Debtors' Bankruptcy Case, as the case may be, to consider any motion to modify or life the automatic stay.

xii. Rejection of Participation Agreements. On April 18, 2016, Bakken filed a supplement to the Plan [Docket No. 1166] rejecting (i) that certain Participation Agreement, dated July 10, 2008, by and between Samson and Baytex Energy USA Ltd., and subsequently assigned to Bakken, for the purchase, sale and further participation in oil and gas activities within a certain area of North Dakota (the "Baytex Participation Agreement"); and (ii) that certain Participation Agreement, dated as of October 19, 2009, by and between Samson and NuLoch America Corp., as subsequently assigned to Bakken, for the purchase, sale, and further participation in oil and gas activities within a certain area of North Dakota (the "NuLoch Partcipation Agreement", and together with the Baytex Participation Agreements, the "Participation Agreements"). Samson consents to the rejection of the Participation Agreements.

xiii. Reservation of Rights. Except as specifically set forth in this Stipulation, the Parties expressly reserve, and do not waive, all of their respective rights and causes of action under the JOA, at law and in equity.

xiv. Counterparts. The Parties agree that this Stipulation may be executed in one or more counterparts; each counterpart shall be deemed to be an original; and all such counterparts shall constitute one and the same instrument.

xv. Representations Regarding Authority. Each of the individuals executing this Stipulation on behalf of one or more Parties represents and warrants that he or she has the authority to enter into this Stipulation on behalf of each such Party, including, but not limited to, the authority to enter into and grant the limited releases provided herein.

xvi. Implementation. The Parties hereto shall modify the Plan to incorporate the terms of this Stipulation; it being understood and agreed between the Parties hereto that as of the date that this Stipulation is executed by the Parties, the Parties shall not take any further adverse action against the other Party in their respective chapter 11 proceedings until confirmation of the Plan.

xvii. Choice of Law. The interpretation and enforcement of this Stipulation shall be governed by the law of the State of Delaware, without regard to

its choice-of-law rules, however, the interpretation and enforcement JOA shall be governed by the laws of the state as set forth in the JOA.

xviii. Stipulation Binding Upon Successors. This Stipulation shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

xix. No Oral Modifications or Waivers. No term or provision of this Stipulation may be waived or modified unless such waiver or modification is in writing and signed by a duly authorized representative for each of the Parties.

xx. Headings. The headings of paragraphs and sub-paragraphs contained in this Stipulation are merely for convenience of reference and shall not affect the interpretation of any of the provisions of this Stipulation.

xxi. Drafting and Ambiguity. This Stipulation is deemed to have been drafted jointly by the Parties and any uncertainty or ambiguity shall not be construed for or against any Party as an attribution of drafting to any Party.

xxii. Jurisdiction. The Bankruptcy Court shall retain jurisdiction with respect to any the enforcement of the terms of this Stipulation as incorporated in the Plan and/or Confirmation

WW. Kanbar Spirits, Inc.

149. Debtor Magnum Hunter Production, Inc. ("MHP") and Kanbar Spirits, Inc. and the Maurice S. Kanbar Revocable Trust (collectively, "Kanbar") are parties to certain drilling partnerships (the "Partnerships") and joint ventures (the "Joint Ventures"). Kanbar filed a Proof of Claim in the Chapter 11 Cases asserting an unliquidated general unsecured claim in connection with the Partnerships and Joint Ventures and an Administrative Claim in connection with MHP's operation of assets owned by the Partnerships and Joint Ventures (collectively, the "Kanbar Claims"). Pursuant to and in accordance with Article IV.U of the Plan, Kanbar, the Debtors, and the Reorganized Debtors, and their successors and assigns agree that the Kanbar Claims and all other disputes arising out of the Partnerships and the Joint Ventures are resolved by that certain Settlement Agreement Term Sheet between the Debtors and Kanbar Spirits, Inc.

and the Maurice S. Kanbar Revocable Trust (collectively, "Kanbar"), dated April 14, 2016 (the "Kanbar Settlement"), which is annexed as Exhibit N to the Plan Supplement [Docket No. 1166]. The principle terms of the Kanbar Settlement are, as follows:[4] (a) the Debtors will assume the JV Agreements and the associated Cure shall be $337,000; (b) on the Effective Date, MHP will purchase Kanbar's interest in the Joint Ventures for $200,000; (c) promptly after the Effective Date, MHP shall commence the wind up of the Partnerships and Programs in accordance with the liquidation procedures set forth in the Partnership Agreements and Program Agreements; (d) MHP will indemnify Kanbar for all future costs associated with plugging and abandoning the wells in which the Partnerships and Joint Ventures own working interests; (e) Kanbar shall receive an allowed general unsecured claim in the amount of $500,000 against MHP; and (f) MHP and Kanbar will provide broad mutual releases.

XX. Stone Energy Corporation.

150. On March 28, 2016, Stone Energy Corporation ("Stone") filed its *Objection of Stone Energy Corporation to Proposed Assumption of Executory Contracts Under the Debtors Second Amended Joint Chapter 11 Plan* [Docket No. 940] (the "Stone Objection") wherein Stone objected to (a) the Debtors' proposed assumption of the First Amendment to the Amended and Restated Farmout Agreement between Stone and Debtor Triad (the "Stone Farmout"), and (b) the Debtors' proposed cure amount to assume the Joint Development Agreement - Wetzel County, WV, dated November 22, 2011 (the "Stone JDA" and, together with the Stone Farmout, the "Stone Contracts"). Thereafter, following good faith and arm's length negotiations between the Debtors and Stone, the parties have resolved the Stone Objection as follows: (a) the Debtors

[4] This summary contained is qualified in its entirety by the provisions of the Kanbar Settlement. To the extent anything in this Confirmation Order is inconsistent with the Kanbar Settlement, the terms of the Kanbar Settlement shall control. Capitalized terms used, but not defined in this paragraph, have the meanings given to them in the Kanbar Settlement.

shall be permitted to assume the Stone Contracts; (b) the Debtors will pay Stone $3,700,000 as an agreed cure payment under the terms of the Plan; and (c) the Debtors and Stone reserve all other rights and obligations between them that are not the subject of the Stone Objection or this settlement. The Court hereby approves the resolution and settlement set forth in this paragraph and finds that it is based on good faith negotiations, is reasonable, and is a valid exercise of the Debtors' business judgment.

YY. Continuum Contracts.

151. The agreements (the "Continuum Settlements") embodied in the term sheet between Continuum Energy Services, L.L.C., Continuum Midstream, L.L.C., and Continuum Murphy Liquids Terminal, L.L.C. (collectively, "Continuum") and the Debtors, as set forth in Exhibit O to the Plan Supplement [Docket No. 1166] (the "Continuum Term Sheet"), represent a binding and enforceable agreement in principal to the extent set forth therein in settlement of (a) the *Objection of Continuum Midstream, L.L.C., Continuum Murphy Liquids Terminal, L.L.C. and Continuum Energy Services, L.L.C. to Proposed Rejection of Executory Contracts Under Second Amended Joint Chapter 11 Plan of Reorganization of Magnum Hunter Resources Corporation and Its Debtor Affiliates* [Docket No. 1011]; and (b) *Objection and Reservation of Rights of Continuum Midstream, L.L.C. and Continuum Energy Services, LLC to the Second Amended Joint Chapter 11 Plan of Reorganization of magnum Hunter Resources Corporation and Its Debtor Affiliates* [Docket No. 1031] (together, the "Continuum Objections") and are incorporated herein by reference. In consideration of the foregoing, on the Effective Date, the Continuum Objections shall be deemed withdrawn with prejudice.

152. Following entry of this Confirmation Order, the Debtors and Continuum shall work in good-faith to negotiate, prepare, and execute as soon as reasonably practicable definitive and final agreements, which agreements shall not be effective before May 1, 2016 (the "Final

Continuum Agreements"), and which agreements will more fully document the Continuum Settlement set forth in the Continuum Term Sheet and other terms and provisions incidental thereto or reasonably required to avoid ambiguity or inconsistency. In the event of any dispute regarding the Continuum Settlement embodied in the Continuum Term Sheet and the requirements for Final Continuum Agreements, the Debtors and Continuum shall endeavor in good faith to seek to resolve such dispute through collaborative discussion and mediation before resorting to Court resolution. For the avoidance of doubt, in the event the Debtors and Continuum require Court resolution in connection with any matters related to or arising from the Final Continuum Agreements related to the Continuum Term Sheet, the Debtors and Continuum submit to the exclusive jurisdiction of this Court.

153. The parties agree, and this Court so orders, that the cure amount in connection with assumption to of the executory contracts assumed pursuant to the Continuum Settlement (the "Continuum Contracts") shall be $5,724,868 to be paid as set forth in the Continuum Term Sheet (the "Continuum Cure Amount"). Additionally, Continuum shall also be paid 100 percent of all postpetition amounts due and owing under the Continuum Contracts in the ordinary course of business. Upon execution and approval of the Final Continuum Agreements and payment of the Continuum Cure Amount, Continuum agrees to withdraw with prejudice and any and all Proofs of Claim filed by Continuum in these Chapter 11 cases and such Proofs of Claim shall be null and void and of no effect and further agrees not to file any other Proofs of Claim or assert any other Claims in the Chapter 11 Cases. Additionally, upon execution of the Final Continuum Agreements, any claim scheduled by the Debtors in favor of Continuum shall be deemed expunged and shall be null and void and of no effect.

ZZ. Dissolution of Committee.

154. On the Effective Date, the Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code; *provided, however*, that following the Effective Date, the Committee shall continue to exist and to have standing and a right to be heard with respect to: (a) Professional Fee Claims and/or applications for compensation by Professionals retained by the Debtors and the Committee; (b) requests for allowance of Administrative Expense Claims for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; and (c) any appeals of the Confirmation Order that remain pending as of the Effective Date.

AAA. Final Order.

155. This Confirmation Order is a Final Order which shall be effective and enforceable immediately upon entry and its provisions shall be self-executing, and the period in which an appeal must be filed shall commence upon the entry hereof. In the absence of any Person obtaining a stay pending appeal, the Debtors are authorized to consummate the Plan.

Dated: April 18, 2016
Wilmington, Delaware

THE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

10. Regarding the joint response to AG 1-7, please confirm that the entity referred to as "Greystone Energy, LLC" does not appear in the records of the Kentucky Secretary of State.

a. Provide the full and complete name of the entity referred to as "Greystone Energy, LLC," and its street address including city and state.

RESPONSE: Greystone Equine LLC, 600 The Grange Lane,. Lexington, KY 40511.

b. Identify in which state the entity referred to as "Greystone Energy, LLC" is registered to do business.

RESPONSE: Kentucky.

c. Confirm that the Kentucky Secretary of State office's public website identifies an entity known as "Greystone Equine, LLC," with a member named David Rudder, with an address of 600 The Grange Lane, Lexington, Kentucky 40511.

RESPONSE: Confirmed.

11. Reference the joint response to AG 1-8. Given that MHR has now filed for and been discharged in bankruptcy, and that until now Sentra has been relying upon MHR's "expertise" in procuring gas supply, does Sentra believe it would now be wise to issue an RFP for gas supply? If not, why not? Explain fully.

RESPONSE: An RFP is being prepared with a target date to file of July 1, 2016.

a. If MHR is a party to this contract, please explain fully whether MHR's discharge in bankruptcy has now voided this contract.

RESPONSE: MHP is not a party to the Greystone contract.

b. If MHP is a party to this contract, please explain whether MHR's discharge in bankruptcy has now voided or otherwise affected this contract.

RESPONSE: The contract between MHP and Greystone is a simple NAESB and is still in effect.

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: Dec. 23, 2013

The parties to this Base Contract are the following:

PARTY A Greystone, LLC	PARTY NAME	PARTY B Magnum Hunter Production, Inc.
600 The Grange Lane Lexington, KY 40511	ADDRESS	120 Prosperous Place Suite 201 Lexington, KY 40509
	BUSINESS WEBSITE	
	CONTRACT NUMBER	
	D-U-N-S® NUMBER	
x US FEDERAL: 46-2836520 ☐ OTHER:	TAX ID NUMBERS	☐ US FEDERAL: ☐ OTHER:
CFTC Interim Compliance Identifier (CICI Number):		CFTC Interim Compliance Identifier (CICI Number):
Kentucky	JURISDICTION OF ORGANIZATION	
☐ Corporation ☐ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other:	COMPANY TYPE	x Corporation ☐ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other:
	GUARANTOR (IF APPLICABLE)	

CONTACT INFORMATION

Same as above ATTN: David Rudder TEL#: (859) 321-1500 FAX#: EMAIL: david@northamericanenergy.com	• COMMERCIAL	Same as above ATTN: Mike Wallen TEL#: (859) 263-3948 FAX#: (859) 263-4228 EMAIL: mwallen@mhrproduction.com
Same as above ATTN: Gas Scheduling TEL#: (859) 321-1500 FAX#: EMAIL:	• SCHEDULING	ATTN: TEL#: FAX#: EMAIL:
Same as above ATTN: Contract Administration TEL#: (859) 321-1500 FAX#: EMAIL: david@northamericanenergy.com	• CONTRACT AND LEGAL NOTICES	ATTN: TEL#: FAX#: EMAIL:
Same as above ATTN: TEL#: (859) 321-1500 FAX#: EMAIL:	• CREDIT	ATTN: TEL#: FAX#: EMAIL:
Same as above ATTN: Confirmation Department TEL#: (859) 321-1500 FAX#: EMAIL: david@northamericanenergy.com	• TRANSACTION CONFIRMATIONS	Same as above ATTN: TEL#: FAX#: EMAIL:

ACCOUNTING INFORMATION

Same as above ATTN: Gas Accounting TEL#: (859) 321-1500 FAX#: EMAIL: david@northamericanenergy.com	• INVOICES • PAYMENTS • SETTLEMENTS	ATTN: TEL#: FAX#: EMAIL:
BANK: Fifth Third Bank, ABA: 042101190 ACCT: 7380897632 OTHER DETAILS:	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: ABA: ACCT: OTHER DETAILS:
BANK: ABA: ACCT: OTHER DETAILS:	ACH NUMBERS (IF APPLICABLE)	BANK: ABA: ACCT: OTHER DETAILS:

ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure
x Oral (default)
OR
☐ Written

Section 2.7 Confirm Deadline
x 2 Business Days after receipt (default)
OR
☐ _____ Business Days after receipt

Section 2.8 Confirming Party
x Seller (default)
OR
☐ Buyer
☐ _____

Section 3.2 Performance Obligation
x Cover Standard (default)
OR
☐ Spot Price Standard

Note: The following Spot Price Publication applies to both of the immediately preceding.

Section 2.31 Spot Price Publication
x Gas Daily Midpoint (default)
OR
☐ _____

Section 6 Taxes
x Buyer Pays At and After Delivery Point (default)
OR
☐ Seller Pays Before and At Delivery Point

Section 7.2 Payment Date
x 25th Day of Month following Month of delivery (default)
OR
☐ Day of Month following Month of delivery

Section 7.2 Method of Payment
x Wire transfer (default)
☐ Automated Clearinghouse Credit (ACH)
☐ Check

Section 7.7 Netting
x Netting applies (default)
OR
☐ Netting does not apply

Section 10.2 Additional Events of Default
☐ No Additional Events of Default (default)
x Indebtedness Cross Default
x Party A: 3% of Shareholder's equity
x Party B: 3% of Shareholder's equity

For the purposes of this definition, "Shareholder's Equity" means, at any time, the amount of paid-in capital in respect of all issued and fully-paid shares of the share capital of the relevant entity, together with the contributed surplus, the cumulative translation adjustment (if any) and the retained earnings calculated in accordance with generally accepted accounting principles in the country in which that entity is organized, consistently applied.

☐ Transactional Cross Default
Specified Transactions:
_____
_____

Section 10.3.1 Early Termination Damages
x Early Termination Damages Apply (default)
OR
☐ Early Termination Damages Do Not Apply

Section 10.3.2 Other Agreement Setoffs
x Other Agreement Setoffs Apply (default)
x Bilateral (default)
☐ Triangular
OR
☐ Other Agreement Setoffs Do Not Apply

Section 15.5 Choice Of Law
Texas

Section 15.10 Confidentiality
x Confidentiality applies (default)
OR
☐ Confidentiality does not apply

x Special Provisions Number of sheets attached: 4
☐ Addendum(s): _____

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

GREYSTONE, LLC	PARTY NAME	MAGNUM HUNTER PRODUCTION, INC.

By:	*SIGNATURE*	By:
DAVID RUDDER	*PRINTED NAME*	MIKE WALLEN
PRESIDENT	*TITLE*	SR. VP OF PRODUCTION

12. Reference the joint Supplemental Response to PSC 1-4.

a. Does Sentra purchase only gas from the Texas Eastern Interstate pipeline, or does Sentra pay other types of charges to Texas Eastern Interstate pipeline?

RESPONSE: Sentra purchases all of its gas from MHP. MHP purchases the gas from Greystone. Greystone contracts for the gas on the Interstate pipeline. Sentra nor MHP pays Texas Eastern Interstate for any charges. Any Texas Eastern Interstate fees are included in the price for gas supplies paid to Greystone.

b. Identify the types of charges Sentra is paying, the amount thereof, and to what entity or entities.

RESPONSE: Sentra pays Greystone a price per MMBTU that is delivered. The price varies each month, but it is an all-inclusive fee.

c. Does Sentra purchase gas from a supplier which contracts with Texas Eastern Interstate pipeline for the right to transmit gas on that pipeline?

RESPONSE: Sentra purchases gas through MHP. MHP contracts for that gas with Greystone. As noted above, the price per MMBTU is an all-inclusive fee that is for all actual delivered gas supply volumes to Sentra at the Texas Eastern/Clay Gas Utility City Gate.

d. Identify all <u>types</u> of charges Sentra has paid to the entity referred to as "Greystone Energy, LLC" over the past (5) years.

RESPONSE: Attached is a listing of payments to Greystone.

e. Specify the <u>amount</u> of all charges paid to the entity referred to as "Greystone Energy, LLC" for the last six (6) months, broken down by the type of charge as specified in your response to subpart (d), above.

RESPONSE:

May 2016	$5,205.77	2,219/dth	$2.346/dth
April 2016	$11,132.52	4,872/dth	$2.285/dth
March 2016	$14,909.48	7,093/dth	$2.102/dth
February 2016	$35,755.58	14,077/dth	$2.540/dth
January 2016	$47,647.72	17,779/dth	$2.680/dth
December 2015	$16,095.20	6,820/dth	$2.360/dth

(Copies of invoices attached.)

Greystone, LLC
600 The Grange Lane
Lexington, KY 40511
Tel (859) 321-1500

INVOICE 061516.15 6.15.2016

PREPARED TO

Sentra Gas
120 Prosperous Place
Suite 201
Lexington, KY 40509

Bank Wire Instructions for Payment:
Fifth Third Bank, Lexington, KY
ABA #042 101 190
Acct #7380897632
Acct Name: Greystone, LLC

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
2,219 Dth	May, 2016 Gas Supply and Balancing (Clay Gas - TETCO #73161)	$2.346	$5,205.77

TOTAL	$5,205.77
TOTAL DUE BY 6.27.2016	

Greystone, LLC
600 The Grange Lane
Lexington, KY 40511
Tel (859) 321-1500

INVOICE 050416-14

5.4.2016

BILL TO

Sentra Gas
120 Prosperous Place
Suite 201
Lexington, KY 40509

Bank Wire Instructions for Payment:
Fifth Third Bank, Lexington, KY
ABA #042 101 190
Acct #7380897632
Acct Name: Greystone, LLC

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
4,872 Dth	April, 2016 Gas Supply and Balancing (Clay Gas - TETCO #73161)	$2.285	$11,132.52

TOTAL $11,132.52

TOTAL DUE BY 5.25.2016

Greystone, LLC
600 The Grange Lane
Lexington, KY 40511
Tel (859) 321-1500

INVOICE 040716.14 4.7.2016

BILL TO

Sentra Gas
120 Prosperous Place
Suite 201
Lexington, KY 40509

Bank Wire Instructions for Payment:
Fifth Third Bank, Lexington, KY
ABA #042 101 190
Acct #7380897632
Acct Name: Greystone, LLC

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
7,093 Dth	March, 2016 Gas Supply and Balancing (Clay Gas - TETCO #73161)	$2.102	$14,909.48

TOTAL $14,909.48

TOTAL DUE BY 4.25.2016

Greystone, LLC
600 The Grange Lane
Lexington, KY 40511
Tel (859) 321-1500

INVOICE 021016-14 **3.10.2016**

BILL TO

Sentra Gas
120 Prosperous Place
Suite 201
Lexington, KY 40509

Bank Wire Instructions for Payment:
Fifth Third Bank, Lexington, KY
ABA #042 101 190
Acct #7380897632
Acct Name: Greystone, LLC

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
14,077 Dth	February, 2016 Gas Supply and Balancing (Clay Gas - TETCO #73161)	$2.540	$35,755.58

TOTAL $35,755.58

TOTAL DUE BY 3.25.2016

Greystone, LLC
600 The Grange Lane
Lexington, KY 40511
Tel (859) 321-1500

INVOICE 021516.15 **2.15.2016**

BILL TO

Sentra Gas
120 Prosperous Place
Suite 201
Lexington, KY 40509

Bank Wire Instructions for Payment:
Fifth Third Bank, Lexington, KY
ABA #042 101 190
Acct #7380897632
Acct Name: Greystone, LLC

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
17,779 Dth	January, 2016 Gas Supply and Balancing (Clay Gas - TETCO #73161)	$2.680	$47,647.72

TOTAL $47,647.72

TOTAL DUE BY 2.25.2016

Greystone, LLC
600 The Grange Lane
Lexington, KY 40511
Tel (859) 321-1500

INVOICE 011116.14 1.11.2016

BILL TO

Sentra Gas
120 Prosperous Place
Suite 201
Lexington, KY 40509

Bank Wire Instructions for Payment:
Fifth Third Bank, Lexington, KY
ABA #042 101 190
Acct #7380897632
Acct Name: Greystone, LLC

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
6,820 Dth	December, 2015 Gas Supply and Balancing (Clay Gas - TETCO #73161)	$2.360	$16,095.20

TOTAL $16,095.20

TOTAL DUE BY 1.25.2016

13. Reference the joint Supplemental Response to Appendix B of the Commission's Order dated April 8, 2016, item 8.

a. Provide any and all support for why Sentra believes its current gas cost charged to its customers reflects current market conditions.

RESPONSE: MHP does not believe its current gas cost charge reflects current market conditions and is in the process of preparing an RFP to file with the Commission.

14. Reference the response to AG 1 -11, Attachment 1.

a. Explain the items dated 12-3-2014 regarding a management fee being paid to Clay Gas Utility District in the sum of $31,617.00.

RESPONSE: Invoice #99, dated December 3, 2014, was an invoice from Sentra to Clay for unpaid management fees for a 17-month period from January 2013 to May 2014. It was NOT an invoice from Clay to Sentra.

(i) Confirm that the funds for this management fee come from Sentra's ratepayers.

RESPONSE: See above. It was not paid by Sentra ratepayers.

(ii) Explain how Sentra's ratepayers benefit from the company paying this management fee.

RESPONSE: N/A

(iii) Explain whether there is any affiliation of any type or sort between Sentra, MHP or MHR and Clay Gas Utility District.

RESPONSE: Sentra is wholly-owned by MHR. MHP is wholly-owned by MHR. MHP oversees the day-to-day operations of Sentra. Sentra is the contract operator of the Clay Gas Utility District located in Tennessee.

b. Explain why Sentra was making payments to Clay Gas Utility District, and identify the nature of all such payments.

RESPONSE: Sentra does not make any payments to Clay Gas other than the transportation fee it pays Clay Gas to move its gas through their system.

c. Explain the entry dated 9-30-2014 regarding payment to "Greystone, LLC" for "Professional – Accounting."

RESPONSE: The referenced invoice from Greystone was for the purchase of natural gas only. Our accounting department coded the invoice incorrectly.

(i) Explain why it is appropriate for Sentra's ratepayers to pay for this expense.

RESPONSE: See above.

15. Reference the response to AG 1-14. State whether "Greystone" purchases gas from MHR, and/or MHP, for resale in Eastern Kentucky.

RESPONSE: MHP is an oil and gas production company with gas wells in Southeastern Kentucky, Southwestern Virginia, and Northeastern Tennessee. Greystone is a natural gas marketer who purchases some of MHP gas in Southeastern Kentucky.

16. Reference the response to PSC 1-3(b). Identify to what entity or person(s) Sentra pays the marketing fee, the amount thereof, the frequency with which it is paid, and the basis on which it is paid (i.e., on the basis of mcf, or other).

RESPONSE: Sentra pays Greystone, LLC, for the natural gas it purchases. Greystone's price is inclusive of any and all fees related to the delivery of gas to Sentra including gas cost, firm delivery, daily balancing on Texas Eastern, and marketing.

a. Provide a copy of any and all agreements governing this marketing fee.

RESPONSE: A copy of the gas purchase agreement between MHP and Greystone is attached.

b. Has Sentra conducted any due diligence regarding the appropriate sum to pay for a marketing fee, or has it relied solely on its past course of dealing with David Rudder and the entity referred to as "Greystone"?

RESPONSE: Sentra has not conducted any due diligence regarding the appropriate fees charged by Greystone. However, both MHP and MHR are in the natural gas exploration and production business and move over 100,000 Dth/d on Interstate pipelines for transport and sale. MHP is well aware, and, subsequently, Sentra is well aware, of appropriate marketing and transport fees. MHP feels very comfortable that Sentra's arrangement with Greystone is beneficial to Sentra's customers.

(i) Provide copies of any due diligence Sentra may have conducted in this regard.

RESPONSE: N/A. See above.

17. Reference the joint responses to the Commission Staff's first data requests, dated May 10, 2016. Joint Respondents did not provide any answer to item number 2. Please provide a response.

RESPONSE: The response was included with the filing, but does not appear in the PSC's electronic case file. A copy is attached.

Response Attached

2. State whether, as shown in Sentra's 2014 annual report, MHP remains its owner. or if that has changed pursuant to the approval granted in Case No. 2014-00043 of the transfer of Sentra's stock to Magnum Hunter Resources Corporation.

Item 2.

Sentra Corporation is owned by Magnum Hunter Resources, Inc. The data filed in the 2014 Annual Report was filed in error.

18. State whether William S. Daugherty, and/or William S. Daugherty II receive all or any portion of the marketing fee referenced in the joint response to PSC 1-3 (b).

RESPONSE: No. William Daugherty was former CEO of NGAS, predecessor to MHP, and has no relationship with Greystone nor does William Daugherty have any current relationship with Sentra, MHP, or MHR.

19. State whether William S. Daugherty, or William S. Daugherty II, are owners, principals or members of:

a. Sentra;
b. MHP;
c. MHR;
d. "Greystone, LLC"; and/or
e. Clay Gas Utility District.

RESPONSE: See above.