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III Exploration II LP

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

In re III EXPLORATION II LP, Debtor.	Bankruptcy No. 16-26471 (RKM) Chapter 11
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**AMENDED PLAN OF LIQUIDATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE**

Dated: October 26, 2018

III Exploration II LP, debtor and debtor in possession, hereby proposes the following plan of liquidation under Section 1121 of the Bankruptcy Code (defined below).

ARTICLE I

INTRODUCTION

This Plan (as this and other capitalized terms not otherwise defined in this Article I are defined in Article II below) is proposed by and on behalf of the Debtor under Chapter 11 of the Bankruptcy Code. Reference is made to the Disclosure Statement accompanying the Plan for a discussion of the Debtor's history, historical financial information, assets, and for a summary and analysis of the Plan. All holders of Claims (as defined below) against the Debtor are encouraged to read the Plan and Disclosure Statement in their entirety before voting to accept or reject the Plan.

The Debtor previously determined, in the discharge of its statutory fiduciary duties under the Bankruptcy Code, that the sale of substantially all of the Debtor's assets pursuant to Section 363 of the Bankruptcy Code or otherwise and the distribution of the sale proceeds pursuant to a Chapter 11 plan is in the best interests of the Debtor, its creditors, and the Estate. Accordingly, the Debtor has sold substantially all of its assets to unrelated third parties pursuant to various Bankruptcy Court orders and this Plan proposes to distribute the cash proceeds thereof and all remaining assets of the Debtor to creditors pursuant to the priorities set forth in the Bankruptcy Code and to wind up the Debtor's Estate. The execution and consummation of this Plan will be facilitated through the establishment of the Plan Administrator in accordance with Section 1123 of the Bankruptcy Code to, among other things, resolve and compromise Claims and distribute the Debtor's remaining assets pursuant to this Plan.

ARTICLE II

DEFINITIONS AND CONSTRUCTION OF TERMS

For purposes of this Plan, the following terms shall have the meanings specified in this Article II. A term used but not defined herein but which is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. Wherever from the context it appears appropriate, each term stated shall include both the singular and the plural, and pronouns shall include the masculine, feminine and neuter, regardless of how stated. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan as a whole and not to any particular section, sub-section or clause contained in the Plan. The word "or" is not exclusive, and the word "including" (in all of its forms) means "including without limitation". The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the terms of the Plan. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof.

“Administrative Claim” shall mean any Claim under Sections 503(b) and 507(a)(2) of the Bankruptcy Code, including: (a) the actual, necessary costs and expenses incurred by the Debtor after the Petition Date of preserving the Estate or operating the Debtor’s business; (b) Professional Fee Claims; (c) U.S. Trustee Fees; and (d) any Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court.

“Administrative Claims Fund” shall mean a fund to be established by the Debtor on the Effective Date, and administered thereafter by the Plan Administrator, in an amount set forth in the Wind Down Budget sufficient to pay Allowed Administrative Claims (including Allowed Professional Fee Claims) and Allowed Priority Tax Claims.

“Allowed” with reference to any Claim, shall mean the extent to which a Claim: (a) is not disallowed or expunged by stipulation or Final Order of the Bankruptcy Court; (b) is not objected to within the period fixed by the Plan or established by the Bankruptcy Court, if the Claim (i) was scheduled by the Debtor pursuant to the Bankruptcy Code and the Bankruptcy Rules in a liquidated amount and not listed as contingent, unliquidated, or disputed, or (ii) was timely filed (or deemed timely filed) pursuant to the Bankruptcy Code, the Bankruptcy Rules, or any applicable orders of the Bankruptcy Court; (c) for which an objection has been filed, but such objection has been withdrawn or determined by a Final Order (but only to the extent such Claim has been allowed); (d) is determined to be valid by the Plan Administrator; (e) is a First Lien Lender Claim; (f) is a Second Lien Lender Claim; or (g) is otherwise allowed by Final Order, including the Confirmation Order, after notice and a hearing. A Claim for which a proof of claim is not timely filed (or not deemed timely filed) shall not be Allowed for purposes of distribution under the Plan.

“Approved Settlement Agreements” has the meaning provided in Section 10.1 of the Plan.

“Arbitration” means the arbitration proceeding as set forth in the Western Uintah Basin Sale Agreement by and between the Debtor and Crescent Point and as approved by the Western Uintah Basin Sale Order.

“Assets” shall mean all the Debtor’s assets of any nature whatsoever, including all property of the Estate pursuant to Section 541 of the Bankruptcy Code, Cash (including the POCI Contribution), Causes of Action, accounts receivable, tax refunds, claims of right, interests and property, real and personal, tangible and intangible, and proceeds from all of the foregoing.

“Available Cash” shall mean, as of any given Distribution Date, all of the Debtor’s Cash, less the remaining balances in the Expense Reserve and the Administrative Claims Fund.

“Avoidance Actions” shall mean Causes of Action arising or held by the Estate under Sections 502, 510, 541, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy

Code, or under related state or federal statutes and common law, including fraudulent transfer laws.

“Bankruptcy Code” shall mean Title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Case.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Utah in which the Chapter 11 Case is pending and, to the extent of any reference under 28 U.S.C. § 157, the unit of the United States District Court for the District of Utah specified pursuant to 28 U.S.C. § 151.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. § 2075, and any local rules of the Bankruptcy Court.

“Bar Date” shall mean: (a) November 29, 2016 with respect to a Claim against the Estate other than a Claim of a Governmental Unit; (b) January 23, 2017 with respect to a Claim against the Estate of a Governmental Unit; and (c) such other date(s) as may be established by the Bankruptcy Court as the last date for filing proofs of claim or request for allowance of Administrative Claims, as applicable, against the Debtor.

“Business Day” shall mean any day other than a Saturday, Sunday or “legal holiday” as such term is defined in Bankruptcy Rule 9006(a).

“Cash” shall mean lawful currency of the United States of America (including wire transfers, cashier’s checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks and money orders).

“Cash Collateral Stipulations” shall mean the stipulations extending the Debtor’s use of cash collateral entered at Docket Nos. 484, 494, and 506.

“Causes of Action” shall mean, without limitation, any and all actions, causes of action, defenses, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, claims or proceedings to recover money or property and demands of any nature whatsoever, whether known or unknown, in law, equity or otherwise, including Avoidance Actions.

“Chapter 11 Case” shall mean the case commenced under Chapter 11 of the Bankruptcy Code by the Debtor, currently referenced as *In re III Exploration II LP*, Chapter 11 Case No. 16-26471 (RKM), currently pending before the Bankruptcy Court.

“Claim” shall mean a “claim,” as defined in Section 101(5) of the Bankruptcy Code, against the Debtor, whether or not asserted, whether or not the facts or legal bases therefor are known or unknown, and specifically including, without express or implied limitation, any rights under Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, any claim of a derivative nature, any potential or unmatured contract claims, and any other contingent claim or Causes of Action.

“Class” shall mean those classes designated in Article IV of the Plan.

“Collateral” shall mean any property or interest in property of the Estate subject to an unavoidable Lien to secure the payment or performance of a Claim.

“Confirmation Date” shall mean the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket in the Chapter 11 Case.

“Confirmation Hearing” shall mean the hearing or hearings conducted by the Bankruptcy Court to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

“Confirmation Order” shall mean the order(s) of the Bankruptcy Court confirming the Plan pursuant to the applicable provisions of the Bankruptcy Code.

“Contingent or Unliquidated Claim” shall mean any Claim for which a proof of claim has been filed with the Bankruptcy Court but which was not filed in a sum certain, or which has not occurred and is dependent upon a future event that has not occurred or may never occur, and which has not been Allowed.

“Crescent Point” means Crescent Point Energy U.S. Corp., the Buyer under the Western Uintah Basin Sale Agreement.

“Debtor” shall mean III Exploration II LP, an Idaho limited partnership.

“DIP Agent” shall mean Wilmington Trust, National Association, as administrative agent and collateral agent under the DIP Credit Agreement.

“DIP Credit Agreement” shall mean the Post-Petition Superpriority Credit Agreement, dated as of September 1, 2016 by and among the Debtor, the DIP Agent and the DIP Lenders (as the same may be amended, restated, supplemented, or otherwise modified from time to time).

“DIP Lenders” shall mean the Lenders pursuant to and as defined in the DIP Credit Agreement.

“DIP Order” shall mean the Final Order (a) Authorizing Debtor to Obtain Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (b) Authorizing the use of Cash Collateral Pursuant to Section 363 of the Bankruptcy Code, (c) Authorizing the Debtor to Enter Into New Lender Party Swap Agreements, Pledge Collateral, and Honor Obligations Thereunder, (d) Granting Adequate Protection to the Pre-Petition Lenders Pursuant to Sections 361, 362, 363 and 364 of the Bankruptcy Code, (e) Granting Liens and Superpriority Claims and (f) Modifying Automatic Stay [Dkt. No. 89], as restated, supplemented, amended, or otherwise modified from time to time, including those orders modifying the DIP Credit Agreement entered at Docket Nos. 225, 293 and 367.

“Disclosure Statement” shall mean the disclosure statement relating to the Plan, including all exhibits and schedules thereto, in the form approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

“Disputed Claim” shall mean a Claim that is neither an Allowed Claim nor a disallowed Claim, and is any Claim, proof of which was filed, or an Administrative Claim or other unclassified Claim, which is the subject of a dispute under the Plan or as to which Claim or Administrative Claim the Debtor or the Plan Administrator has interposed a timely objection and/or a request for estimation in accordance with Section 502(c) of the Bankruptcy Code or other applicable law, which dispute has not been withdrawn or determined by Final Order, and any Claim, proof of which was required to be filed by order of the Bankruptcy Court, but as to which a proof of claim was not timely or properly filed (or deemed timely or properly filed).

“Disputed Claim Amount” shall mean the amount set forth in the proof of claim relating to a Disputed Claim or an amount estimated pursuant to an order of the Bankruptcy Court in respect of a Disputed Claim in accordance with Section 502(c) of the Bankruptcy Code.

“Distribution” shall mean the distribution to holders of Allowed Claims in accordance with the Plan of any Assets, or other consideration distributed under Article IV herein.

“Distribution Date” shall mean any date on which the Plan Administrator determines that a Distribution, under or in accordance with the Plan, should be made to holders of Allowed Claims (or to a particular holder of an Allowed Claim) in light of, for example, resolutions of Disputed Claims, liquidation of Assets, and the administrative costs of such a Distribution.

“Eastern Uintah Basin Sale Agreement” shall mean that certain Purchase and Sale Agreement, dated November 23, 2016, between the Debtor and Crescent Point Energy U.S. Corp. (as amended, supplemented or modified).

“Eastern Uintah Basin Sale Order” shall mean the order of the Bankruptcy Court approving the Eastern Uintah Basin Sale Transaction [Dkt. No. 303].

“Eastern Uintah Basin Sale Transaction” shall mean the transaction between the Debtor and Crescent Point as set forth in the Eastern Uintah Basin Sale Agreement as approved pursuant to the Eastern Uintah Basin Sale Order.

“Effective Date” shall mean a Business Day, selected by the Plan Proponent, on which all conditions to the Effective Date have been satisfied or, if permitted, waived by the Plan Proponent, and on which no stay of the Confirmation Order shall be pending.

“EP Energy Settlement” shall mean that certain Settlement Agreement by and between EP Energy, Inc. and the Debtor dated March 8, 2017, and approved by the Bankruptcy Court on March 23, 2017 [Dkt. No. 333].

“Estate” shall mean the estate created in the Chapter 11 Case pursuant to Section 541 of the Bankruptcy Code.

“Expense Reserve” shall mean a reserve to be established by the Debtor on the Effective Date to be utilized by the Plan Administrator in accordance with the Wind Down Budget to effectuate the liquidation and distribution of the remaining Assets hereunder in accordance with the Plan. The Expense Reserve shall include (i) the POCI Contribution, and (ii) the \$50,000 authorized to be used pursuant to paragraph nine of the POCI Settlement.

“Equity Interest” shall mean any equity interest or proxy related thereto in the Debtor, and represented by duly authorized, validly issued, and outstanding shares of preferred stock or common stock, stock appreciation rights, membership interests, partnership interests, or any other instrument evidencing a present ownership interest, inchoate or otherwise, in the Debtor, or right to convert into such an equity interest or acquire any equity interest of the Debtor, whether or not transferable, or an option, warrant, or right, contractual or otherwise, to acquire any such interest, which was in existence prior to or on the Petition Date.

“Final Order” shall mean an order as to which the time to appeal, petition for *certiorari*, or move for a new trial or to alter or amend a judgment under Fed. R. Bankr. P. 9023 has expired and as to which no appeal or petition for *certiorari*, or other proceedings under Rule 9023 shall then be pending or as to which any right to appeal, petition for *certiorari*, or move for relief under Rule 9023 shall have been waived in writing or, in the event an appeal, writ of *certiorari*, or motion under Rule 9023 has been sought, such order shall have been affirmed by the highest court to which relief under Rule 9023 was sought, and the time to take any further appeal, petition for *certiorari*, or motion under Rule 9023 shall have expired.

“First Lien Agent” shall mean Wilmington Trust, National Association, as successor Administrative Agent under the First Lien Credit Agreement.

“First Lien Credit Agreement” shall mean the Credit Agreement, dated as of February 19, 2013, among the Debtor, the First Lien Lenders, Citibank N.A., as Syndication Agent, and the First Lien Agent, as successor agent to KeyBank National Association (as the same may be amended, restated, supplemented, or otherwise modified from time to time).

“First Lien Lender Claims” shall mean the Secured Claims arising under the Loan Documents as defined in the First Lien Credit Agreement.

“First Lien Lenders” shall mean the Lenders under and as defined in the First Lien Credit Agreement.

“First Pre-Petition Liens” shall mean the First Pre-Petition Liens as defined in the DIP Order.

“General Unsecured Claim” shall mean a Claim that is not an Administrative Claim, a Professional Fee Claim, a Priority Tax Claim, a Secured Claim, or a Priority Claim.

“Impaired” with respect to any Class of Claims or Equity Interests, means “impaired” within the meaning of Section 1124 of the Bankruptcy Code.

“Lien” shall mean any charge against, lien or security interest in, encumbrance upon, or other interest in property to secure payment of a debt or performance of an obligation.

“KeyBank” shall mean KeyBank National Association, a national banking association, solely in its capacity as First Lien Agent on and before March 18, 2016.

“North Dakota Sale Agreement” shall mean that certain Purchase and Sale Agreement, dated December 16, 2016, between the Debtor and Pivotal Williston Basin II, LP (as amended, supplemented or modified).

“North Dakota Sale Order” shall mean the order of the Bankruptcy Court approving the North Dakota Sale Transaction [Dkt. No. 240].

“North Dakota Sale Transaction” shall mean the transaction between the Debtor and Pivotal Williston Basin II, LP as set forth in the North Dakota Sale Agreement as approved pursuant to the North Dakota Sale Order.

“Person” shall mean any individual, corporation, partnership, limited liability company, limited partnership, joint venture, association, joint-stock company, trust, unincorporated association or organization, Governmental Unit or political subdivision thereof.

“Petition Date” shall mean July 26, 2016.

“Plan” shall mean this liquidating plan under Chapter 11 of the Bankruptcy Code, including, without limitation, the exhibits, supplements, appendices and schedules hereto, either in their present form or as the same may be altered, amended or modified from time to time.

“Plan Administrator” shall mean Michael E. Rich, retained as of the Effective Date pursuant to the Plan Administrator Agreement, as the officer with the fiduciary duties and responsibility for implementing the applicable provisions of the Plan relating to the wind down of the Debtor’s affairs as expeditiously as reasonably possible.

“Plan Administrator Agreement” means an agreement, to be entered into as of the Effective Date, by the Reorganized Debtor and the Plan Administrator, which sets forth, among other things, the duties and compensation of the Plan Administrator.

“Plan Proponent” shall mean the Debtor.

“Plan Supplement” means the supplemental documents, schedules, and exhibits to the Plan, to be filed by the Debtor no later than the Plan Supplement Filing Date, containing substantially final forms of, among other things, a schedule of rejected executory contracts and unexpired leases, a list of retained Causes of Action, a list of

expunged claims, the Plan Administrator Agreement and the Wind Down Budget. The Debtor or the Reorganized Debtor, as the case may be, shall have the right to amend all of the documents contained in, and exhibits to, the Plan Supplement through the Effective Date with the consent of the First Lien Agent.

“Plan Supplement Filing Date” shall mean the last date by which forms of the exhibits to the Plan shall be filed with the Bankruptcy Court, which date shall be not later than seven (7) days before the date of commencement of the Confirmation Hearing.

“POCI” shall mean the Debtor’s affiliate Petroglyph Operating Company, Inc., a Kansas corporation.

“POCI Contribution” shall mean a \$100,000 Cash payment to be transferred by POCI to the Reorganized Debtor on or before the Effective Date, which shall be utilized to facilitate the winding down of the Debtor’s affairs in accordance with the Wind Down Budget.

“POCI Settlement” shall mean that certain Settlement Agreement by and between POCI and the Debtor and approved by the Bankruptcy Court. [Dkt. No. 466].

“Prepetition Claim” shall mean any Claim arising prior to the Petition Date.

“Pre-Petition Adequate Protection Replacement Liens” shall mean the Pre-Petition Adequate Protection Replacement Liens as defined in the DIP Order.

“Priority Claims” shall mean any Claim, if any, entitled to priority under Section 507(a) of the Bankruptcy Code other than (a) an Administrative Claim, or (b) a Priority Tax Claim.

“Priority Tax Claims” shall mean any Claim entitled to priority pursuant to Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

“Professional Fees” shall mean any unpaid fees and expenses of Professionals, as such fees and expenses are allowed by the Bankruptcy Court.

“Professional Fee Claim” shall mean a Claim for compensation, indemnification, or reimbursement of expenses pursuant to Sections 328, 330, 331, or 503(b) of the Bankruptcy Code in connection with the Chapter 11 Case incurred on or after the Petition Date and prior to the Effective Date.

“Professionals” shall mean the attorneys, accountants, financial advisors, and other professionals whose retention in the Chapter 11 Case has been approved by the Bankruptcy Court.

“QEP Settlement Agreement” shall mean that certain Settlement Agreement by and between QEP Energy, Inc., and the Debtor dated March 3, 2017, and approved by the Bankruptcy Court on March 23, 2017. [Dkt. No. 334].

“Released Party” shall mean each of the following in its capacity as such: (a) the Debtor; (b) the First Lien Agent and KeyBank (in its capacity as a first lien agent); (c) the First Lien Lenders; (d) the Second Lien Agent; (e) the Second Lien Lenders; (f) the DIP Agent; (g) the DIP Lenders; (h) POCL; and (i) with respect to each of the foregoing entities in clauses (a) through (h), such entity’s current and former subsidiaries, predecessors, successors, assigns, heirs, agents, equity holders, principals, officers, directors, managers, principals, members, partners, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; and their current and former affiliates’ subsidiaries, officers, directors, managers, principals, members, partners, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

“Reorganized Debtor” shall mean the Debtor on and after the Effective Date.

“Schedules” shall mean the schedules of assets and liabilities, the list of holders of interests and the statements of financial affairs filed by the Debtor under Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules, lists and statements have been or may be supplemented or amended from time to time.

“Second Lien Agent” shall mean KeyBank National Association, as the administrative agent under the Second Lien Credit Agreement.

“Second Lien Credit Agreement” shall mean the Second Lien Term Loan Agreement, dated as of February 19, 2013, among the Debtor, the Second Lien Lenders, Citibank N.A., as Syndication Agent, and the Second Lien Agent (as the same may be amended, restated, supplemented, or otherwise modified from time to time).

“Second Lien Lenders” shall mean the Lenders under and as defined in the Second Lien Credit Agreement.

“Second Lien Lender Claims” shall mean the Secured Claims arising under the Second Lien Credit Agreement.

“Secured Claim” shall mean a Claim that is secured by a Lien on any Asset of the Debtor, or right of setoff, which Lien or right of setoff, as the case may be, is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable nonbankruptcy law, but only to the extent of the value, pursuant to Section 506(a) of the Bankruptcy Code, of any interest of the holder of the Claim in property of the Estate securing such Claim.

“Transition Services Agreement” or “TSA” shall mean the Transition Services Agreement, dated July 26, 2016, by and between the Debtor and POCL (as amended by certain amendments and orders approved by the Bankruptcy Court).

“Ute Energy Settlement Agreement” shall mean that certain Settlement Agreement by and between Ute Energy, Inc. and the Debtor dated January 31, 2017, and approved by the Bankruptcy Court on February 28, 2017 [Dkt. No. 292].

“U.S. Trustee” shall mean the office of the United States Trustee for Region 19: District of Utah.

“U.S. Trustee Fees” shall mean all fees and charges assessed against the Estate by the U.S. Trustee and due pursuant to Section 1930 of title 28 of the United States Code.

“Voting Deadline” shall mean November 26, 2018 at 5:00 p.m., prevailing Mountain time.

“Western Uintah Basin Sale Agreement” shall mean that certain Purchase and Sale Agreement, dated February 10, 2017, between the Debtor and Crescent Point (as amended, supplemented or modified).

“Western Uintah Basin Sale Order” shall mean the order of the Bankruptcy Court approving the Western Uintah Basin Sale Transaction [Dkt. No. 303].

“Western Uintah Basin Sale Transaction” shall mean the transaction between the Debtor and Crescent Point as set forth in the Western Uintah Basin Sale Agreement as approved pursuant to the Western Uintah Basin Sale Order.

“Wind Down Budget” shall mean the wind down budget attached hereto as Exhibit “1” and incorporated herein by reference setting forth, among other things, the Administrative Claims Fund and Expense Reserve, pursuant to which the Plan Administrator shall effectuate the orderly wind-down of the Debtor’s Estate in accordance with the Plan. For the avoidance of doubt, the First Lien Lenders’ First Pre-Petition Liens and the Pre-Petition Adequate Protection Replacement Liens are deemed to attach to the Administrative Claims Fund and Expense Reserve.

ARTICLE III

TREATMENT OF ALLOWED ADMINISTRATIVE EXPENSE CLAIMS AND ALLOWED PRIORITY TAX CLAIMS

3.1 Non-Classification. As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified for the purposes of voting on, or receiving Distributions under, the Plan. All such Claims are instead treated separately in accordance with the terms in this Article III. **Treatment of Administrative Claims.**

(a) Allowance of Administrative Claims. An Administrative Claim is defined in the Plan and means, as set forth above, any Claim under Sections 503(b) and 507(a)(2) of the Bankruptcy Code including: (i) the actual and necessary postpetition costs and expenses incurred by the Debtor in preserving the Estate or operating its business, (ii) Allowed Claims pursuant to Section 503(b)(9) of the Bankruptcy Code, (iii) U.S. Trustee Fees, and (iv) any Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a final order of the Bankruptcy Court.

(b) Payment of Allowed Administrative Claims. Subject to the Bar Date and other provisions herein and except to the extent the Reorganized Debtor, or the Plan Administrator, as applicable, and the holder of an Allowed Administrative Claim agree to different and less favorable treatment, the Plan Administrator shall pay, in full satisfaction and release of such Claim, to each holder of an Allowed Administrative Claim, Cash, in an amount equal to such Allowed Administrative Claim in accordance with the Wind Down Budget, on the later of (i) the Effective Date, and (ii) the first Business Day after the date that is thirty (30) days after the date on which such Administrative Claim becomes an Allowed Administrative Claim, or as soon thereafter as is practicable. Allowed Administrative Claims shall be paid from the funds in the Administrative Claims Fund and in accordance with the Wind Down Budget.

(c) Administrative Claims Bar Date.

(i) General Administrative Claim Bar Date Provisions. Except as provided below for (1) Professionals requesting compensation or reimbursement for Professional Fee Claims, and (2) U.S. Trustee Fees, requests for allowance and payment of Administrative Claims must be filed no later than thirty (30) days after notice of entry of the Confirmation Order is filed with the Bankruptcy Court. Holders of Administrative Claims who are required to file a request for allowance and payment of such Claims and who do not file such requests by the applicable Bar Date, shall be forever barred from asserting such Claims against the Debtor or its property, and the holders thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset, or recover such Administrative Claims.

(ii) Professional Fee Claim Bar Date. All Professionals or other Persons requesting compensation or reimbursement of Professional Fee Claims for services rendered before the Effective Date (including compensation requested by any Professional or other entity for making a substantial contribution in this Chapter 11 Case) shall file an application for final allowance of compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date. Objections to applications of Professionals or other entities for compensation or reimbursement of expenses must be filed no later than seventeen (17) days after any such application is filed. All compensation and reimbursement of expenses allowed by the Bankruptcy Court shall be paid by the Plan Administrator to the applicable Professional or other entities requesting compensation or reimbursement of Professional Fee Claims as soon as is practicable after any such Professional Fee Claims are allowed. Notwithstanding the amounts budgeted for Professional Fee Claims in the Wind Down Budget, Professionals shall not be compensated for any amount in excess of fees and expenses that are approved and allowed by the Bankruptcy Court in such final fee application. Each Professional or other Person that intends to seek payment on account of a Professional Fee Claim shall provide the Debtor with a statement, by no later than the

Confirmation Date, of the amount of estimated unpaid fees and expenses accrued by such Professional up to the date of such statement, the amount of fees and expenses that each such Professional expects to incur from such date through the Effective Date, and the amount of fees and expenses that each such Professional expects to incur from such date in connection with the preparation and prosecution of each such Professional's final fee application. For the avoidance of doubt, the Plan provisions governing the allowance and payment of Administrative Claims do not apply to the fees and expenses for professionals of the First Lien Lenders, the First Lien Agent and the DIP Secured Parties (as defined in the DIP Order) provided for in the DIP Order; *provided, further*, that any fees or expenses paid (or to be paid) for professionals of the First Lien Lenders, the First Lien Agent and the DIP Secured Parties arising in connection with this Chapter 11 Case need not be approved by the Bankruptcy Court and will be paid by the Plan Administrator from available funds upon request from such parties.

(iii) U.S. Trustee's Fees. The Reorganized Debtor or the Plan Administrator (as applicable) shall pay all U.S. Trustee Fees, in accordance with the terms of the Plan, until such time as the Bankruptcy Court enters a final decree closing the Chapter 11 Case.

3.3 Priority Tax Claims. Except to the extent the Reorganized Debtor or the Plan Administrator, as applicable, and the holder of an Allowed Priority Tax Claim agree to different and less favorable treatment, the Plan Administrator shall pay, in full satisfaction and release of such Claim, to each holder of an Allowed Priority Tax Claim, Cash, in an amount equal to such Allowed Priority Tax Claim, (a) on the later of the Effective Date and (b) the first Business Day after the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable.

ARTICLE IV

CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

4.1 General Notes on Classification and Treatment of Classified Claims and Equity Interests. Pursuant to Sections 1122 and 1123 of the Bankruptcy Code, Claims and Equity Interests (other than Claims arising under Sections 507(a)(2) or 507(a)(8) of the Bankruptcy Code, which Claims do not require classification pursuant to Section 1123(a) of the Bankruptcy Code and are receiving the treatment set forth in Article III) are classified for all purposes, including voting, confirmation, and distribution pursuant to the Plan, as set forth herein. A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class, and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class.

4.2 Classification and Treatment of Classified Claims and Equity Interests.

Class	Treatment	Entitled to Vote
Class 1 – First Lien Lender Claims	Impaired	Yes (Entitled to vote to accept or reject)
Class 2 – Second Lien Lender Claims	Impaired	No (Deemed to reject)
Class 3 – General Unsecured Claims	Impaired	No (Deemed to reject)
Class 4 – Equity Interests	Impaired	No (Deemed to reject)

4.3 Class 1 – First Lien Lender Claims.

(a) Impairment and Voting. Class 1 Claims are impaired under the Plan. Holders of Class 1 Claims shall be entitled to vote to accept or reject the Plan.

(b) Distributions to First Lien Agent. The First Lien Agent, on behalf of the First Lien Lenders, shall receive (i) within one Business Day of the Effective Date, a Distribution of all Available Cash held or controlled by the Reorganized Debtor or the Plan Administrator, (ii) on, or as soon as practicable after, the date that (A) all Disputed Claims have been paid or resolved and (B) Allowed Administrative Claims (including Professional Fee Claims) and Allowed Priority Tax Claims have been paid in full, a Distribution equal to any remaining Cash in the Administrative Claims Fund, and (iii) upon entry of a final decree by the Bankruptcy Court closing the Chapter 11 Case, a final Distribution of any and all remaining Cash in the Administrative Claims Fund and the Expense Reserve and the proceeds of any other Assets available to fund the Plan. Nothing in the Plan or the Confirmation Order shall release, discharge, or modify the Claims of the First Lien Lenders. No other Class of Claims shall receive any Distributions under the Plan unless and until Class 1 Claims are paid in full.

(c) Collateral. The First Lien Lenders shall retain their Liens and security interests in the Debtor's property, and nothing in the Plan or the Confirmation Order shall in any manner affect or modify or discharge the Liens and security interests of the First Lien Lenders.

4.4 Class 2 – Second Lien Lender Claims.

(a) Impairment and Voting. Class 2 Claims are impaired under the Plan. Holders of Class 2 Claims are deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

(b) No Distributions. Because the Estate lacks sufficient funds to pay the First Lien Lender Claims in full, no Distribution shall be made to the holders of the

Second Lien Lender Claims. The Second Lien Lenders shall neither receive nor retain any property under the Plan. Nothing in the Plan or the Confirmation Order shall release, discharge, or modify the Second Lien Lender Claims.

(c) Collateral. The Second Lien Lenders shall retain their Liens and security interests in the Debtor's property, and nothing in the Plan or the Confirmation Order shall in any manner affect or modify or discharge the Liens and security interests of the Second Lien Lenders.

4.5 Class 3 - General Unsecured Claims.

(a) Impairment and Voting. Class 3 Claims are impaired under the Plan. Holders of Class 3 Claims are deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

(b) No Distributions. No distribution shall be made to the holders of General Unsecured Claims. Holders of General Unsecured Claims shall neither receive nor retain any property under the Plan.

4.6 Class 4 – Equity Interests in the Debtor.

(a) Impairment and Voting. Class 4 Equity Interests are impaired under the Plan. Each holder of an Equity Interest in the Debtor shall neither receive nor retain any property under the Plan. Each holder of an Equity Interest in the Debtor is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) No Distributions. Class 4 Equity Interests shall receive no Distributions under the Plan. On the Effective Date of the Plan, all Equity Interests in the Debtor shall be deemed cancelled.

ARTICLE V

ACCEPTANCE OR REJECTION OF THE PLAN; EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS OR INTERESTS

5.1 Classes Entitled to Vote. Only Class 1 Claims - Secured Claims of First Lien Lenders - are Impaired and entitled to vote to accept or reject the Plan.

5.2 Cramdown. If all applicable requirements for Confirmation are met as set forth in Section 1129(a)(1) through (13) of the Bankruptcy Code except subsection (8) thereof, in accordance with Section 1129(b) of the Bankruptcy Code, notwithstanding the failure to satisfy the requirements of Section 1129(a)(8), the Bankruptcy Court may confirm the Plan on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each Class of Claims that is impaired thereunder, and has not accepted the Plan.

ARTICLE VI

IMPLEMENTING THE PLAN

6.1 Implementation. The Plan Administrator shall implement the Plan consistent with the terms and conditions set forth in the Plan and the Confirmation Order. On and after the Effective Date, except as otherwise provided in the Plan and the Confirmation Order, the Reorganized Debtor may use, acquire or dispose of property and compromise or settle with the consent of the First Lien Agent, any Claim, Equity Interest or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

6.2 Funding for the Plan. The Plan will be funded from the Administrative Claims Fund, the Expense Reserve and the proceeds from any other Assets available to fund the Plan.

6.3 Establishment of Reserves. On or before the Plan Supplement Filing Date, the Debtor with the consent of the First Lien Agent shall file with the Bankruptcy Court a copy of the Wind Down Budget setting forth, among other things, the Administrative Claims Fund and Expense Reserve.

6.4 Vesting of Property. On the Effective Date, pursuant to provisions of Section 1141(b) and (c) of the Bankruptcy Code, all Assets shall vest in the Reorganized Debtor free and clear of all Claims, Liens, encumbrances, charges, Equity Interests, and other interests, except as otherwise expressly provided in the Plan or Confirmation Order, and subject to the terms and conditions of the Plan and Confirmation Order.

6.5 Continuing Existence. From and after the Effective Date, the Reorganized Debtor shall continue in existence for the purposes of (a) winding up its affairs as expeditiously as reasonably possible, (b) liquidating, by conversion to Cash, or other methods, of any remaining Assets, as expeditiously as reasonably possible, (c) resolving Disputed Claims, (d) administering the Plan, (e) filing appropriate tax returns and refund requests, (f) performing all such other acts and conditions required by and consistent with consummation of the Plan, and (g) distributing all Cash and the proceeds of any other Assets available to Fund the Plan to the First Lien Agent pursuant to Section 4.3(b) of the Plan.

6.6 Corporate Action. This Plan shall be administered by the Plan Administrator and all actions taken under the Plan in the Reorganized Debtor's name shall be taken through the Plan Administrator. Upon the distribution of all Assets pursuant to the Plan and the filing by the Plan Administrator of a certification to that effect with the Bankruptcy Court (which may be included in the application for the entry of the final decree), the Reorganized Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtor or payments to be made in connection therewith, provided, however, that the

Reorganized Debtor may, but will not be required to, take appropriate action to dissolve itself under applicable state law.

6.7 Appointment of the Plan Administrator. On the Effective Date, the Plan Administrator shall be deemed the Estate's representative in accordance with Section 1123 of the Bankruptcy Code and shall have all powers, authority, and responsibilities specified in the Plan, including, without limitation, the powers of a trustee under Sections 704 and 1106 of the Bankruptcy Code.

6.8 Winding Down Affairs. Following the Effective Date, neither the Reorganized Debtor nor the Plan Administrator shall engage in any business or take any actions, except those necessary to consummate the Plan and wind down its affairs. On and after the Effective Date, the Plan Administrator shall, in the name of the Debtor, take such actions without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than the restrictions imposed by the Plan or the Confirmation Order.

6.9 Powers and Duties of the Plan Administrator. The Plan Administrator shall act for the Reorganized Debtor in a fiduciary capacity subject to the provisions of the Plan and the Plan Administrator Agreement. The powers and duties of the Plan Administrator shall include, without limitation:

(a) Engaging, in consultation with the First Lien Agent, attorneys, consultants, agents, employees, and any other professional persons in accordance with the Wind Down Budget to assist the Plan Administrator with respect to the Plan Administrator's responsibilities;

(b) coordinating the storage and maintenance of the Reorganized Debtor's books and records or otherwise seeking authorization from the Bankruptcy Court for the destruction of such books and records prior to the expiration of any statutory period requiring that such records be maintained;

(c) preparing financial statements and U.S. Trustee post-confirmation quarterly reports, until such time as a final decree has been entered in the Bankruptcy Case;

(d) overseeing the filing of final tax returns, refund requests, audits, and other corporate dissolution documents, as required;

(e) performing any additional corporate actions as necessary to carry out the wind up, liquidation, and distribution of the Reorganized Debtor's Assets;

(f) paying the fees and expenses of the attorneys, consultants, agents, employees, and other professional persons engaged by the Reorganized Debtor and the Plan Administrator and to pay all other expenses for winding down the affairs of the Reorganized Debtor, subject to and in accordance with the Wind Down Budget and the terms of the Plan and Confirmation Order;

- (g) objecting to, compromising, and settling Claims, if necessary;
- (h) implementing and/or enforcing all provisions of the Plan and the Confirmation Order; and
- (i) such other powers as may be vested in or assumed by the Plan Administrator pursuant to the Plan, Plan Administrator Agreement, or Confirmation Order of the Bankruptcy Court, or as may be needed or appropriate to carry out the provisions of the Plan.

6.10 Resignation or Removal of the Plan Administrator. In the event that the Plan Administrator resigns or is removed, is incapacitated, dies, or becomes otherwise unable or unwilling to continue to serve in such capacity, then the Bankruptcy Court shall, after notice and hearing, designate another Person to become the Plan Administrator. Thereupon the successor Plan Administrator, without further act, shall become fully vested with all of the rights, powers, duties, and obligations of his or her predecessor, including the compensation of the predecessor Plan Administrator. No successor Plan Administrator hereunder shall in any event have any liability or responsibility for the acts or omissions of any of his or her predecessors.

6.11 Employment of Professionals. In accordance with the Wind Down Budget, the Plan Administrator shall have the right, in consultation with the First Lien Agent, to retain the services of attorneys, accountants, and other Professionals that are necessary to assist the Plan Administrator in the performance of his duties as Plan Administrator or otherwise under the Plan. The reasonable fees and expenses of such professionals and the additional expenses of the Plan Administrator incurred in the performance of his duties as Plan Administrator under the Plan shall be paid by the Plan Administrator from the Expense Reserve in accordance with the Wind Down Budget, and shall not be subject to Bankruptcy Court approval; provided, however, that upon written request the Plan Administrator shall provide invoices for the post-confirmation services of Professionals to the U.S. Trustee, the First Lien Agent or requesting creditors.

6.12 Plan Administrator Agreement. On the Effective Date, the Plan Administrator Agreement shall be deemed to be valid, binding, and enforceable in accordance with its terms and provisions. The Plan Administrator Agreement shall be substantially in the form contained in the Plan. As set forth more fully in the Plan Administrator Agreement, the Plan Administrator shall receive compensation for his post-confirmation services at the rate of \$350 per hour in accordance with the Wind Down Budget. Post-confirmation compensation of the Plan Administrator shall not be subject to approval of the Bankruptcy Court, and shall be paid from the Expense Reserve in accordance with the Wind Down Budget. Upon request the Plan Administrator shall provide invoices for his post-confirmation services to the U.S. Trustee and to the First Lien Agent. After the Effective Date, the Plan Administrator Agreement may be amended with the written consent of the First Lien Lender in accordance with its terms without further order of the Bankruptcy Court.

6.13 Destruction of Books and Records. The Reorganized Debtor's and the Plan Administrator's rights to seek authorization from the Bankruptcy Court for the destruction of books and records prior to the expiration of any statutory period requiring that such records be maintained are preserved.

6.14 Method of Distributions Under the Plan.

(a) Form of Distributions. All Distributions shall be made by the Plan Administrator or a duly-appointed disbursing agent to the holders of Allowed Claims. Cash payments made pursuant to the Plan shall be in United States dollars by checks drawn on a domestic bank selected by the Plan Administrator or by wire transfer from a domestic bank, at the option of the Plan Administrator.

(b) Distributions to be on Business Days. Any payment or Distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

(c) Time Bar to Cash Payments. Checks issued by the Plan Administrator in respect of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance thereof. Requests for reissuance of any check shall be in writing to the Plan Administrator by the holder of the Allowed Claim to whom such check originally was issued. Any such written claim in respect of such a voided check must be received by the Plan Administrator on or before sixty (60) days after the expiration of the sixty (60) day period following the date of issuance of such check. Thereafter, the amount represented by such voided check shall irrevocably revert to the Debtors and be treated as Available Cash. Any Claim in respect of such voided check shall be discharged and forever barred from assertion against the Debtor, the Estate, or the Plan Administrator.

6.15 Disputed Claims.

(a) Objections to Disputed Claims. Unless otherwise ordered by the Bankruptcy Court, on and after the Effective Date, the Plan Administrator shall have the exclusive right to make, file, and prosecute objections to and settle, compromise, or otherwise resolve Disputed Claims in consultation with the First Lien Agent, except that as to applications for allowances of Professional Fee Claims, objections may be made in accordance with the applicable Bankruptcy Rules by parties in interest. Subject to further extension by the Bankruptcy Court, the Plan Administrator shall file and serve a copy of any such objection upon the holder of the Claim to which an objection is made on or before the latest to occur of: (i) sixty (60) days after the Effective Date, (ii) thirty (30) days after a request for payment or proof of claim is timely filed and properly served upon the Plan Administrator, and (iii) such other date as may be fixed by the Bankruptcy Court either before or after the expiration of such time periods. Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the claimant if the Plan Administrator effects service in any of the following manners (x) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (y) by first-class mail, postage prepaid,

on the signatory of the proof of claim or other representative identified in the proof of claim or any attachment thereto at the address of the creditor set forth therein; or (z) by first-class mail, postage prepaid, on any counsel that has appeared on the claimant's behalf in the Chapter 11 Case. From and after the Effective Date, the Plan Administrator may settle or compromise any Disputed Claim or retained Cause of Action pursuant to the terms of the Plan without further order of the Bankruptcy Court.

(b) Resolution of Disputed Claims. No Distribution or payment shall be made on account of a Disputed Claim until such Disputed Claim becomes an Allowed Claim and shall be entitled to distribution in accordance with its respective Class of Claims.

6.16 Estimation of Claims. The Plan Administrator may, at any time, request that the Bankruptcy Court estimate any Claim not expressly Allowed by the terms of the Plan and otherwise subject to estimation pursuant to Section 502(c) of the Bankruptcy Code and for which the Debtor may be liable under the Plan, including any Claim for taxes, to the extent permitted by Section 502(c) of the Bankruptcy Code, regardless of whether any party in interest previously objected to such Claim, and the Bankruptcy Court (or the District Court, if applicable) will retain jurisdiction to estimate any Claim pursuant to Section 502(c) of the Bankruptcy Code at any time prior to the time that such Claim becomes an Allowed Claim. The Plan Administrator shall be entitled to request that the Bankruptcy Court determine either the Allowed amount of such Claim or a maximum limitation on such Claim. If the Bankruptcy Court determines the maximum limitation of such Claim, such determination shall not preclude the Plan Administrator from pursuing any additional proceedings to object to any ultimate payment of such Claim. If the Bankruptcy Court determines the Allowed amount of such Claim, the amount so determined shall be deemed the amount of the Disputed Claim for all purposes under the Plan. The foregoing objection, estimation, and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated by the Bankruptcy Court (or the District Court, if applicable) and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court (or the District Court, if applicable).

6.17 Automatic Disallowance and Expungement of Certain Claims. On the Effective Date, all Claims filed after the applicable Bar Date that were required to be filed on or in advance of such Bar Date under its terms, shall be expunged and disallowed without any further notice to or action, order, or approval of the Bankruptcy Court.

6.18 Retention of Rights and Causes of Action. Except as provided in the Plan and subject to Section 7.9 hereof, all present or future rights, claims, or Causes of Action, rights of setoff or recoupment, or other legal or equitable defenses that the Debtor held on behalf of the Estate or of the Debtor in accordance with any provision of the Bankruptcy Code or any applicable nonbankruptcy law against any Person and have not been released or sold on or prior to the Effective Date are preserved for the Reorganized Debtor and the Plan Administrator. On the Effective Date, pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code, the Plan Administrator and the

Reorganized Debtor shall have possession and control or, and shall retain and have the right to enforce and pursue, any and all present or future rights, claims, or Causes of Action, rights of setoff or recoupment, or other legal or equitable defenses against any Person and with respect to any rights of the Debtor that arose before or after the Petition Date. The Plan Administrator and the Reorganized Debtor have, retain, reserve, and shall be entitled to assert and pursue all such claims, Causes of Action, rights of setoff, or other legal or equitable defenses, and they may assert after the Effective Date, all legal and equitable rights of the Debtor not expressly released under the Plan. The Reorganized Debtor or the Plan Administrator, as applicable, may abandon, settle, or release any or all such claims, rights or Causes of Action, as either deems appropriate without further order of the Bankruptcy Court. In pursuing any claim, right, or Cause of Action, the Plan Administrator, as the representative of the Estate, shall be entitled to the extensions provided under Section 108 of the Bankruptcy Code. Except as otherwise provided in the Plan, all Causes of Action shall survive confirmation of the Plan and the commencement or prosecution of Causes of Action shall not be barred or limited by any estoppel, whether judicial, equitable, or otherwise. Notwithstanding the foregoing, the Reorganized Debtor shall not retain any claims or Causes of Action released pursuant to the Plan against the Released Parties or arising under Chapter 5 of the Bankruptcy Code (except that such claims or Causes of Action may be asserted as a defense to a Claim in connection with the Claims reconciliation and objection procedures pursuant to Section 502(d) of the Bankruptcy Code or otherwise).

ARTICLE VII

IMPLEMENTATION OF THE PLAN

7.1 Binding Effect. Except as otherwise provided in Section 1141(d) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against or Equity Interest in the Debtor who held such Claim or Equity Interest at any time during the Chapter 11 Case and its respective successors and assigns, whether or not the Claim or Equity Interest of such holder is Impaired under the Plan and whether or not such holder has accepted the Plan.

7.2 Term of Injunction or Stays. Unless otherwise provided herein, all injunctions or stays provided for in the Chapter 11 Case pursuant to Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Chapter 11 Case is closed.

7.3 Releases by the Debtor and the Estate. Pursuant to Section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or arising from intentional fraud, or willful misconduct, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released by the Debtor, each of the Debtor's current and former affiliates, and the Estate from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted on behalf of the Debtor, whether known or unknown, foreseen or

unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that the Debtor or the Estate would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtor or its affiliates, the Chapter 11 Case, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between the Debtor and any Released Party, the restructuring of Claims and Equity Interests before or in the Chapter 11 Case, the negotiation, formulation, or preparation of the Plan, the Plan Supplement, the Disclosure Statement, the POCI Settlement, the Eastern Uintah Basin Sale Transaction, the Eastern Uintah Basin Sale Order, the Eastern Uintah Basin Sale Agreement, the North Dakota Sale Transaction, the North Dakota Sale Order, the North Dakota Sale Agreement, the Western Uintah Basin Sale Transaction, the Western Uintah Basin Sale Order, the Western Uintah Basin Sale Agreement, the Arbitration, the EP Energy Settlement Agreement, the QEP Energy Settlement Agreement, the Ute Energy Settlement Agreement or related agreements, instruments, or other documents, or upon any other act or omission, transaction, agreement, event, or other occurrence relating to the Debtor taking place on or before the Effective Date.

7.4 Injunction.

(a) Scope of Injunction. Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that hold a Claim are permanently enjoined from taking any of the following actions against the Debtor, the Reorganized Debtor, the Plan Administrator, or any present and former directors, officers, trustees, agents, attorneys, advisors, partners, or employees of the Debtor, the Reorganized Debtor, or the Plan Administrator, or any of their respective successors or assigns, or any of their respective assets or properties, on account of any Claim: (i) commencing or continuing in any manner any action or other proceeding with respect to a Claim or based upon a theory which arises out of such holder's Claim; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order with respect to a Claim; (iii) creating, perfecting, or enforcing any Lien or encumbrance with respect to a Claim; (iv) asserting a setoff, right of subrogation, or recoupment of any kind with respect to a Claim, the Assets, or other property of the Estate; and (v) commencing or continuing any action that does not comply with or is inconsistent with the Plan. Nothing shall preclude the holder of a Claim from pursuing any applicable insurance after the Chapter 11 Case is closed, from seeking discovery in actions against third parties, or from pursuing third-party insurance that does not cover Claims against the Debtor. For the avoidance of doubt, nothing in this injunction shall limit the rights of a holder of a Claim to enforce the terms of the Plan.

(b) Cause of Action Injunction. On and after the Effective Date, all Persons other than the Plan Administrator will be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively, or otherwise) on account of, or respecting any claim, debt, right,

or Cause of Action that the Plan Administrator retains authority to pursue in accordance with the Plan.

(c) **Exculpation.** Except as otherwise set forth in the Plan, neither the Debtor, nor any Released Party, nor any of their respective current or former partners, directors, officers, trustees, employees, agents (acting in such capacity), advisors, attorneys, nor representatives of any professional employed by any of them shall have or incur any liability to any Person or entity for any action taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, the POCI Settlement, the Eastern Uintah Basin Sale Transaction, the Eastern Uintah Basin Sale Order, the North Dakota Sale Transaction, the North Dakota Sale Order, the Western Uintah Basin Sale Transaction, Western Uintah Basin Sale Order, the EP Energy Settlement Agreement, the QEP Energy Settlement Agreement, the Ute Energy Settlement or any contract, release, or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with the Plan, the administration of the Plan or property to be distributed pursuant to the Plan, the Eastern Uintah Basin Sale Transaction, the North Dakota Sale Transaction, the Western Uintah Basin Sale Transaction, the Arbitration, the EP Energy Settlement Agreement, the QEP Energy Settlement Agreement, the Ute Energy Settlement and actions taken or omitted to be taken in connection with the Chapter 11 Case or the operations, monitoring, or administration of the Debtor during the Chapter 11 Case.

7.5 Preservation and Application of Insurance. The provisions of the Plan shall not diminish or impair in any manner the enforceability of coverage of any insurance policies (and any agreements, documents, or instruments relating thereto) that may cover Claims against the Debtor, any directors, trustees, or officers of the Debtor, or any other Person, including, without limitation, insurance for the Debtor's directors and officers.

7.6 Compromise of Controversies. Pursuant to Bankruptcy Rule 9019, and in consideration for the classification, distribution, and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Effective Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to, or in connection with the business or affairs of or transactions with the Debtor. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtor, the Estate, creditors, and other parties in interest, and are fair, equitable, and within the range of reasonableness.

7.7 Solicitation of Plan. As of and subject to the occurrence of the Confirmation Date: (a) the Debtor shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy

Code, including without limitation, Sections 1125(a) and (e) of the Bankruptcy Code, and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation and (b) the Debtor and each of their respective directors, officers, employees, affiliates, agents, financial advisors, investment bankers, professionals, accountants, and attorneys shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and therefore are not, and on account of such solicitation will not be, liable at any time for any violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan.

7.8 Post-Confirmation Activity. As of the Effective Date, the Plan Administrator shall conclude the implementation of the Plan and winding down of the Debtor's affairs without supervision of the Bankruptcy Court, other than those restrictions expressly imposed by the Plan and the Confirmation Order. Without limiting the foregoing, the Plan Administrator shall pay any charges he incurs for taxes, professional fees, disbursements, expenses, or related support services after the Effective Date in accordance with the Wind Down Budget and to the extent funds are available in the Estate without application to and approval of the Bankruptcy Court.

7.9 Avoidance Actions. On the Effective Date, the Debtor shall be deemed to release any and all rights, claims, and causes of action that a trustee, debtor-in-possession, or other appropriate party in interest would be able to assert on behalf of the Debtor under applicable state statutes or the avoidance provisions of Chapter 5 of the Bankruptcy Code, including actions under one or more of the provisions of Bankruptcy Code Sections 506 and, 542 through 551.

ARTICLE VIII

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 Executory Contracts and Unexpired Leases. On the Effective Date, all executory contracts and unexpired leases to which the Debtor is a party shall be deemed rejected as of the Effective Date, except for an executory contract or unexpired lease that (a) has been assumed (or assumed and assigned) or rejected pursuant to a Final Order of the Bankruptcy Court entered before the Effective Date or (b) is the subject of a separate motion to assume or assign or reject filed under Section 365 of the Bankruptcy Code by the Debtor before the Effective Date.

8.2 Approval of Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval, pursuant to Section 365(a) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected as of the Effective Date of the Plan.

8.3 Rejection Damage Claims. If the rejection of an executory contract or unexpired lease by the Debtor pursuant to this Article VIII results in a Claim for damages to the other party or parties to such contract or lease, any Claim for such damages, if not heretofore evidenced by a filed proof of claim, shall be forever barred

and shall not be enforceable against the Estate, or its properties or agents, successors, or assigns, unless a proof of claim is filed with the Bankruptcy Court and served on the Plan Administrator on or before thirty (30) days following the Confirmation Date. Unless otherwise ordered by the Bankruptcy Court or provided in the Plan, all such Claims for which proofs of claim are timely filed will be treated as General Unsecured Claims subject to the provisions of the Plan. The Plan Administrator shall have the right to object, settle and/or compromise any such rejection damage claims filed in accordance with this Section.

ARTICLE IX

CONDITIONS TO CONFIRMATION AND OCCURRENCE OF EFFECTIVE DATE

9.1 Conditions to Confirmation. The Plan may not be confirmed unless the Confirmation Order is entered in a form reasonably acceptable to the Plan Proponent and the First Lien Agent on behalf of the First Lien Lenders.

9.2 Conditions Precedent to Effectiveness. The Plan shall not become effective, and the Effective Date shall not occur, unless and until the following conditions shall have been satisfied or waived:

(a) the Confirmation Order, in form and substance reasonably acceptable to the Debtor and the First Lien Agent, shall have been entered by the Bankruptcy Court and shall have become a Final Order;

(b) all actions, other documents and agreements necessary to implement the Plan shall have been executed, delivered and, if necessary, properly recorded, and shall have become effective;

(c) the Estate shall have sufficient Cash to meet all Cash funding obligations under the Plan required to be made on the Effective Date;

(d) no outstanding amounts exist under the DIP Credit Agreement and the DIP Credit Agreement is terminated; and

(e) the TSA shall have been terminated.

9.3 Failure of Conditions Precedent. Notwithstanding anything in the Plan to the contrary, the conditions set forth in Section 9.2 above must be satisfied or waived on or before January 8, 2019. In the event that the conditions set forth in Section 9.2 above are not satisfied or waived on or before January 8, 2019, then the Plan shall be deemed revoked and withdrawn, the Confirmation Order shall be deemed vacated, and Section 12.5 of the Plan shall apply.

9.4 Waiver of Conditions. With the written consent of the First Lien Agent, the Debtor may waive one or more of the conditions precedent to the effectiveness of the Plan set forth in Section 9.2 above, except that the Debtor may not waive the

condition that the Estate will have sufficient Cash to meet all payment and funding obligations under the Plan on the Effective Date.

9.5 Closing of the Chapter 11 Case. After all Disputed Claims filed against the Debtor have become Allowed Claims or have been disallowed, and have been satisfied in accordance with the Plan, or at such earlier time as the Plan Administrator deems appropriate, the Plan Administrator shall seek authority from the Bankruptcy Court to close the Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules. Notwithstanding the foregoing, the Chapter 11 Case shall not be closed until the Arbitration has been concluded and the remaining Asset sale proceeds held by Crescent Point under the Western Uintah Basin Sale Transaction have been distributed to the First Lien Agent.

ARTICLE X

COMPROMISES AND SETTLEMENTS OF DISPUTES

10.1 Approved Settlement Agreements. Pursuant to Bankruptcy Rule 9019(a), the Debtor entered into the EP Energy Settlement Agreement, the QEP Settlement Agreement, the Ute Energy Settlement Agreement, and the POCI Settlement, all of which have been approved by the Bankruptcy Court (collectively, the "Approved Settlement Agreements"). Nothing in the Plan shall modify or change in any way the Approved Settlement Agreements. The Approved Settlement Agreements are incorporated herein as if fully set forth herein.

ARTICLE XI

RETENTION OF JURISDICTION

11.1 Retention of Jurisdiction. After the Effective Date, the Bankruptcy Court shall have exclusive jurisdiction of the following specified matters arising out of, and related to, the Chapter 11 Case and the Plan pursuant to, and for the purposes of, Sections 105(a) and 1142 of the Bankruptcy Code:

(a) to hear and determine any and all objections to the allowance of any Claims or any controversies as to the classification of any Claims or estimate any Disputed Claim;

(b) to hear and determine any and all applications by Professionals for compensation and reimbursement of expenses;

(c) to hear and determine any and all pending applications for the rejection or assumption of executory contracts and unexpired leases, and fix and allow any Claims resulting therefrom;

(d) to enforce the provisions of the Plan subject to the terms thereof;

(e) to correct any defect, cure any omission, or reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary to carry out the purpose and the intent of the Plan;

(f) to determine any Claim or liability to a Governmental Unit which may be asserted as a result of the transactions contemplated herein;

(g) to hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code;

(h) to enforce the DIP Order;

(i) to enforce the Cash Collateral Stipulations;

(j) to enforce the Western Uinta Basin Sale Agreement and the Western Uinta Basin Sale Order; and

(k) to determine such other matters as may be provided for in the Confirmation Order.

ARTICLE XII

MISCELLANEOUS

12.1 Default of Plan. In the event of any default of the provisions of the Plan, a creditor or party in interest aggrieved by such default may provide written notice to the Plan Administrator with a copy to the First Lien Agent. The notice of default must describe with specificity the nature of the default alleged and the steps required to cure such default. The Plan Administrator shall have thirty (30) days after receipt of notice of default to cure such default. If the default is not cured within thirty (30) days after receipt of a notice of default, then a creditor or party in interest aggrieved by such default may apply to the Bankruptcy Court to compel compliance with the applicable provisions of the Plan. The Bankruptcy Court, after notice and a hearing, shall determine whether a default occurred, and if a default occurred, whether such default has been cured. Upon finding a material default, the Bankruptcy Court may issue such orders as may be appropriate, including an order compelling compliance with the pertinent provisions of the Plan or an order converting the case to one under Chapter 7 of the Bankruptcy Code.

12.2 Setoffs. Except as otherwise provided in the Plan, nothing contained in the Plan shall constitute a waiver or release by the Estate of any rights of setoff the Estate may have against any Person.

12.3 Amendment or Modification of the Plan. Upon written consent of the First Lien Agent, alterations, amendments or modifications of the Plan may be proposed in writing by the Debtor at any time prior to the Confirmation Date, provided that the Plan, as altered, amended or modified, satisfies the conditions of Sections 1122 and 1123 of the Bankruptcy Code, and the Debtor shall have complied with Sections 1125

and 1127 of the Bankruptcy Code. The Plan may be altered, amended or modified at any time before or after the Confirmation Date and before substantial consummation, provided that the Plan, as altered, amended or modified, satisfies the requirements of Sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under Section 1129 of the Bankruptcy Code. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder. The Debtor may, without notice to holders of Claims insofar as it does not materially and adversely affect the interests of any such holders, correct any defect or omission in the Plan and any exhibit hereto.

12.4 Severability. If, prior to the Confirmation Date, any term or provision of the Plan is determined by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court may, upon the request of the Debtor, alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable according to its terms.

12.5 Revocation or Withdrawal of the Plan. The Debtor reserves the right, upon written consent of the First Lien Agent, to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Estate or any other Person or to prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Estate.

12.6 Notices. All notices, requests and demands to or upon the Plan Administrator shall only be effective if in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and confirmed, addressed as follows:

Michael E. Rich, Plan Administrator
c/o George Hofmann
Cohne Kinghorn, P.C.
111 East Broadway, 11th Floor
Salt Lake City, Utah 84111
Tel: (801) 363-4300
Fax: (801) 363-4378

12.7 Governing Law. Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah, without giving effect to the principles of conflicts of law of such jurisdiction.

12.8 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

12.9 Filing of Additional Documents. On or before substantial consummation of the Plan, Reorganized Debtor or the Plan Administrator shall file with the Bankruptcy Court any agreements or other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

12.10 Inconsistency. In the event of any inconsistency between the Plan and the Disclosure Statement, or any other instrument or document created or executed pursuant to the Plan, the terms of the Plan shall govern.

Dated: October 26, 2018

III EXPLORATION II LP
By: Petroglyph Energy, Inc.,
Its general partner

/s/ Paul Powell

Paul Powell
President

And

COHNE KINGHORN, P.C.

/s/ George Hofmann

George B. Hofmann
Patrick E. Johnson

Attorneys for the Debtor

EXHIBIT 1

III Exploration II LP													
13-WEEK CASH FLOW FORECAST													
DRAFT - as of 10/24/2018													
(in 000's)													
	BUDGET 1 Week Ending 26-Oct	BUDGET 2 Week Ending 2-Nov	BUDGET 3 Week Ending 9-Nov	BUDGET 4 Week Ending 16-Nov	BUDGET 5 Week Ending 23-Nov	BUDGET 6 Week Ending 30-Nov	BUDGET 7 Week Ending 7-Dec	BUDGET 8 Week Ending 14-Dec	BUDGET 9 Week Ending 21-Dec	BUDGET 10 Week Ending 28-Dec	BUDGET 11 Week Ending 4-Jan	BUDGET 12 Week Ending 11-Jan	BUDGET 13 Week Ending 18-Jan
													13-WEEK TOTAL
Joint Venture Cash Flow													
1 Energy Revenue - Net Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
2 JIB Disbursements - Net Use	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Total Joint Venture Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Professional Fees and U.S. Trustee Fee	-	(47)	(17)	-	-	(20)	(12)	(75)	20	-	-	-	-
5 Interest / Bank Fees	-	1	(1)	-	-	-	1	(1)	-	-	-	-	(151)
6 Derivative Revenue (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	1
7 Operating Company Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Energy Revenue - Gross	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Royalty Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Production Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Accounts Payable	-	-	(6)	-	-	-	-	-	-	-	-	-	(6)
12 Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Corporate Severance & Accrued Vacation Pay	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Accrued Vacation Pay - Field Employees	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Management Fee	-	(20)	-	-	-	-	(20)	-	-	-	-	-	(40)
16 Wind Down Reserve	-	-	-	-	-	-	-	-	(50)	-	-	-	(50)
17 Ad Valorem Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Total Operating Company Cash Flow	-	(20)	(6)	-	-	-	(20)	-	(50)	-	-	-	(96)
19 Net Cash Surplus (Uses)	-	(66)	(24)	-	-	(20)	(31)	(76)	(30)	-	-	-	(246)
20 Refund from IMA for Bond Renewal Payment	-	-	-	-	-	-	-	5	-	-	-	-	5
21 Distribution to Secured Lenders	-	-	-	-	-	-	-	-	(469)	-	-	-	(469)
22 Beginning, Cash Surplus	710	710	644	620	620	620	600	569	499	-	-	-	710
23 Net Cash (Use)	-	(66)	(24)	-	-	(20)	(31)	(71)	(499)	-	-	-	(710)
24 Ending, Cash Surplus	710	644	620	620	620	600	569	499	-	-	-	-	-
Note: The accompanying cash flow forecast has been prepared by the Debtors' management team in collaboration with Huron. This work product remains subject to material change. The Debtors expect to make ongoing revisions to this and other forecasts. The transactions closed with an Effective Date of December 1, 2016. The Budget assumes investment banker fees will be paid from the sale proceeds. The Budget is prepared in accordance with the Stipulation Extending the Use of Cash Collateral.													