UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): July 23, 2020

California Resources Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-36478**	**46-5670947**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

27200 Tourney Road	
Suite 200	
Santa Clarita	
California	**91355**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (888) 848-4754

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**		**Name of each exchange on which registered**	
Common Stock	CRCQQ	*	New York Stock Exchange	*

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

* On July 16, 2020, the New York Stock Exchange ("NYSE") notified California Resources Corporation ("CRC") that it would apply to the Securities and Exchange Commission (the "SEC") to delist the common stock of CRC upon completion of all applicable procedures. The delisting will be effective 10 days after a Form 25 is filed with the SEC by the NYSE. The deregistration of the common stock under section 12(b) of the Securities Exchange Act of 1934 (the "Exchange Act") will be effective 90 days, or such shorter period as the SEC may determine, after filing of the Form 25. Upon deregistration of the common stock under Section 12(b) of the Exchange Act, the common stock will remain registered under Section 12(g) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

As previously reported, on July 15, 2020 (the "Petition Date"), California Resources Corporation ("CRC" or the "Company") and certain of its subsidiaries (collectively, with the Company, the "Debtors") filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"). The Chapter 11 Cases are being jointly administered under the caption In re California Resources Corporation, et al., No. 20-33568 (DRJ). On July 24, 2020, the Debtors filed the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan") with the Bankruptcy Court.

On the Petition Date, prior to the commencement of the Chapter 11 Cases, the Company entered into a commitment letter with JPMorgan Chase Bank, N.A. (the "Commitment Letter"), pursuant to which JPMorgan agreed to arrange, syndicate and provide a portion of the funding for a senior superpriority debtor-in-possession credit facility subject to the satisfaction or waiver of conditions described therein. On July 22, 2020, the Bankruptcy Court entered an order (the "Interim Order") granting interim approval of entry into (i) a Senior Secured Superpriority Debtor-in-Possession Credit Agreement (the "Senior DIP Credit Agreement"), by and among the Company, as Borrower, the lenders from time to time party thereto (the "Senior DIP Lenders") and JPMorgan Chase Bank, N.A., as administrative agent (the "Senior DIP Agent") and (ii) a Junior Secured Superpriority Debtor-in-Possession Credit Agreement (the "Junior DIP Credit Agreement"), by and among the Company, as Borrower, the lenders from time to time party thereto (the "Junior DIP Lenders") and Alter Domus Products Corp., as administrative agent (the "Junior DIP Agent"). In accordance with the Interim Order, the entire Junior DIP Facility and a portion of the Senior DIP Facility on the closing date were used to refinance and replace the Company's existing revolving credit facility in full.

Senior DIP Credit Agreement

In accordance with the Interim Order, on July 23, 2020, the Company, as borrower, the Senior DIP Agent and the Senior DIP Lenders entered into the Senior DIP Credit Agreement on the terms described in the Commitment Letter. The Senior DIP Credit Agreement provides for an approximately $483 million senior superpriority debtor-in-possession credit facility (the "Senior DIP Facility") consisting of (i) an approximately $400 million new money subfacility, including $250 million in new money loans and approximately $150 million to deem letters of credit outstanding under the Company's existing revolving credit facility as being issued under the new money subfacility, and (ii) a roll-up of approximately $83 million of commitments under the Company's existing revolving credit facility, which will be deemed term loans under the Senior DIP Facility. As of the closing of the Senior DIP Credit Agreement and in accordance with the Interim Order, $85 million of the new money subfacility and an additional $31 million in the form of letters of credit to backstop specified surety bonds became available to the Company. Upon the date that the Bankruptcy Court enters a final non-appealable order in substantially the form of the Interim Order with such changes as the Senior DIP Agent and the Senior DIP Lenders reasonably approve, the full remaining amount of the $250 million new money loans will be available to the Borrower.

In connection with the Senior DIP Credit Agreement, certain subsidiaries of the Company became parties to a guarantee agreement as guarantors (collectively, the "Guarantors," and together with the Company, the "DIP Credit Parties"). The Guarantors, which include the other debtors and debtors-in-possession in the Chapter 11 Cases, have guaranteed, on a joint and several basis, all of the obligations under the Senior DIP Facility. To secure the obligations under the Senior DIP Facility, the Company and the Guarantors have granted liens on substantially all of their assets, whether now owned or hereafter acquired.

The Senior DIP Credit Agreement contains representations and warranties, affirmative and negative covenants and events of default customary for financings of this type and size. The proceeds of all or a portion of the Senior DIP Facility may be used by the Company to (i) fund working capital needs and capital expenditures during the pendency of the Chapter 11 Cases, (ii) pay certain costs, fees and expenses related to the Chapter 11 Cases and the Senior DIP Facility and (iii) make payments in respect of certain "adequate protection" obligations, in all cases on the terms, and subject to the conditions, set forth in the Senior DIP Credit Agreement and applicable orders of the

Bankruptcy Court. The Senior DIP Facility matures six months after the Petition Date, and is subject to earlier termination upon the occurrence of certain events specified in the Senior DIP Credit Agreement.

The Senior DIP Facility is subject to final approval by the Bankruptcy Court.

The foregoing description of the Senior DIP Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Senior DIP Credit Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Junior DIP Credit Agreement

Also on July 23, 2020, and in accordance with the Interim Order, the Company, the Junior DIP Agent and the Junior DIP Lenders entered into the Junior DIP Credit Agreement on the terms described in the previously disclosed Restructuring Support Agreement, dated July 15, 2020 which provides for a junior superpriority debtor-in-possession term loan facility in an aggregate principal amount of $650 million (the "Junior DIP Facility").

The Guarantors, which include the other debtors and debtors-in-possession in the Chapter 11 Cases, have guaranteed, on a joint and several basis, all of the obligations under the Junior DIP Facility. To secure the obligations under the Junior DIP Facility, the Company and the Guarantors have granted liens on substantially all of their assets, whether now owned or hereafter acquired.

The Junior DIP Credit Agreement contains representations and warranties, affirmative and negative covenants and events of default customary for financings of this type and size and substantially consistent with those in the Senior DIP Credit Agreement. The proceeds of the Junior DIP Facility, together with the amounts borrowed under the Senior DIP Facility, were used by the Company to (i) pay fees and expenses related to the Junior DIP Facility and the Chapter 11 Cases and (ii) refinance the Company's obligations under its existing revolving credit facility, in all cases on the terms, and subject to the conditions, set forth in the Junior DIP Credit Agreement and applicable orders of the Bankruptcy Court. The Junior DIP Facility matures six months after the Petition Date, and is subject to earlier termination upon the occurrence of certain events specified in the Junior DIP Credit Agreement.

The Junior DIP Facility is subject to final approval by the Bankruptcy Court.

The foregoing description of the Junior DIP Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Junior DIP Credit Agreement, which is filed as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

Amended and Restated Restructuring Support Agreement

On July 24, 2020, the Debtors entered into an Amended and Restated Restructuring Support Agreement (the "Amended RSA") that amends and restates in its entirety the previously disclosed Restructuring Support Agreement, dated July 15, 2020 (the "Original RSA"), by and among the Debtors, certain creditors under the Debtors' 2016 Term Loan, 2017 Term Loan and Second Lien Notes and one or more funds, investment vehicles and/or accounts managed or advised by Ares Management LLC or one or more of their affiliates, including ECR Corporate Holdings L.P. Capitalized terms used but not otherwise defined in this Current Report on Form 8-K have the meanings given to them in the Amended RSA.

The Amended RSA provides for a $450 million equity rights offering (the "Equity Rights Offering") that consists of two tranches, with the first tranche (the "Tranche A Equity Rights Offering") being offered to holders of Stipulated 2017 Secured Claims and the second tranche (the "Tranche B Equity Rights Offering") being offered to holders of Deficiency/Unsecured Debt Claims. The Tranche A Equity Rights Offering will be sized to raise $405 million and the Tranche B Equity Rights Offering will be sized to raise $45 million.

The Amended RSA also modifies the distributions contemplated under the Plan. Pursuant to the Amended RSA, the Plan will provide that: (i) holders of claims on account of the RBL Facility will be paid in full; (ii) holders of Stipulated 2017 Secured Claims will receive 83.6% of the common stock in Reorganized CRC (subject to dilution)

and 100% of the subscription rights offered under the Tranche A Equity Rights Offering (excluding those subscription rights reserved to the parties backstopping the equity rights offering); (iii) holders of Deficiency/Unsecured Debt Claims, which consist of holders of Stipulated 2017 Deficiency Claims, 2016 Term Loan Claims, Second Lien Notes Claims and Unsecured Notes Claims, will receive 16.4% of the common stock in Reorganized CRC (subject to dilution) and 100% of the subscription rights offered under the Tranche B Equity Rights Offering (excluding those subscription rights reserved to the parties backstopping the equity rights offering); (iv) all other general unsecured claims will be paid or disputed in the ordinary course of business; and (v) existing equity interests in CRC will receive no distributions.

In the aggregate, the Consenting Parties hold approximately 85% of the 2017 Term Loan Claims and approximately 68% of the Deficiency/Unsecured Debt Claims.

The foregoing description of the Amended RSA is not complete and is qualified in its entirety by reference to the Amended RSA, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.3 and is hereby incorporated by reference in this Item 1.03.

Amended and Restated Backstop Commitment Agreement

On July 24, 2020, the Debtors entered into an Amended and Restated Backstop Commitment Agreement (the "Amended BCA") that amends and restates in its entirety the previously disclosed Backstop Commitment Agreement (the "Original BCA"), dated July 15, 2020, by and among the Debtors and the backstop parties thereto (the "Backstop Parties").

Pursuant to the Amended BCA, the Backstop Parties agreed to backstop the Equity Rights Offering provided for by the Amended RSA, which is discussed above. Subject to the terms and conditions contained in the Amended BCA, the Backstop Parties have committed to purchase any common stock that is not duly subscribed for pursuant to the Equity Rights Offering.

In consideration for the Backstop Parties agreeing to backstop the Equity Rights Offering, 37.5% of the Tranche A Equity Rights Offering and 50% of the Tranche B Equity Rights Offering will be reserved solely for the Backstop Parties. In further consideration for the Backstop Parties agreeing to backstop the Rights Offering, the Backstop Parties shall be entitled to a premium in an aggregate amount equal to 10% of the $450 million Rights Offering amount payable in common stock of reorganized CRC. If the Amended BCA is terminated under certain circumstances as set forth therein, the Company will instead be required to make a cash payment of $22.5 million to the Backstop Parties (which is 5% of the Rights Offering amount).

The transactions contemplated by the Amended BCA are conditioned upon the satisfaction or waiver of customary conditions for transactions of this nature, including among other things that (i) the Bankruptcy Court shall have confirmed the chapter 11 plan and transactions contemplated thereunder and (ii) the Rights Offering shall have been conducted, in all material respects, in accordance with the approval of the Bankruptcy Court, the chapter 11 plan and the Amended BCA.

The foregoing description of the Backstop Commitment Agreement is not complete and is qualified in its entirety by reference to the Backstop Commitment Agreement, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.4 and is hereby incorporated by reference in this Item 1.01.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
10.1	Senior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of July 23, 2020, among California Resources Corporation, as the Borrower, the several lenders from time to time parties hereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and as Sole Lead Arranger and Bookrunner*
10.2	Junior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of July 23, 2020, among California Resources Corporation, as the Borrower, the several lenders from time to time parties hereto, and Alter Domus Products Corp., as Administrative Agent*
10.3	Amended and Restated Restructuring Support Agreement, dated as of July 24, 2020, by and among California Resources Corporation, certain of its subsidiaries and the Consenting Parties (as defined therein).*
10.4	Amended and Restated Backstop Commitment Agreement, dated as of July 24, 2020, by and among California Resources Corporation, certain of its subsidiaries and the Backstop Parties (as defined therein).*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Certain portions of this exhibit (indicated by "[*****]") have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

California Resources Corporation

/s/ Roy Pineci

Name:	Roy Pineci
Title:	Executive Vice President, Finance

DATED: July 24, 2020

EXHIBIT 10.1

Certain portions of this exhibit (indicated by "[*****]") have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

Execution Version

SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT
DATED AS OF JULY 23, 2020

AMONG

CALIFORNIA RESOURCES CORPORATION,
A DEBTOR AND DEBTOR-IN-POSSESSION UNDER CHAPTER 11
OF THE BANKRUPTCY CODE,
AS THE BORROWER,

THE SEVERAL LENDERS
FROM TIME TO TIME PARTIES HERETO,

AND

JPMORGAN CHASE BANK, N.A.,
AS ADMINISTRATIVE AGENT

_____

JPMORGAN CHASE BANK, N.A.,
AS SOLE LEAD ARRANGER AND BOOKRUNNER

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SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT, dated as of July 23, 2020, among CALIFORNIA RESOURCES CORPORATION, a Delaware corporation (the "Borrower"), as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code, the banks, financial institutions and other lending institutions from time to time party as lenders hereto (each a "Lender" and, collectively, the "Lenders"), JPMORGAN CHASE BANK, N.A., as Administrative Agent, and each Letter of Credit Issuer from time to time party hereto.

WHEREAS, the Borrower is party to that certain Credit Agreement, dated as of September 24, 2014 (as heretofore amended and as in effect immediately prior to the effectiveness of this Agreement, the "Prepetition Credit Agreement"), among the Borrower, as borrower, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent, pursuant to which certain loans to and extensions of credit on behalf of the Borrower were made for certain purposes as set forth therein;

WHEREAS, on July 15, 2020 (the "Petition Date"), the Borrower and certain of its Subsidiaries (collectively, the "Debtors" and each individually, a "Debtor") filed a voluntary petition for relief under the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") (such proceedings being jointly administered under Case No. 20-33568 are hereinafter referred to as the "Chapter 11 Cases"). Each Debtor continues to operate its businesses and manage its properties as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, in connection with the Chapter 11 Cases, the Borrower has requested that the Lenders provide a senior secured superpriority debtor-in-possession revolving credit facility (the "Facility") in an aggregate principal amount not to exceed $483,010,655.62, which shall consist of (a) a $400,139,598.62 new money superpriority revolving credit facility (the "New Money Facility") and (b) an $82,871,057.00 deemed term loan to roll up a portion of the existing outstanding loans under the Prepetition Credit Agreement that are held by the Lenders, in each case to be afforded the liens and priority set forth in the DIP Order and as set forth in the other Credit Documents;

WHEREAS, in connection with the Chapter 11 Cases, substantially concurrently with the execution of this Agreement, the Borrower has entered into that certain junior secured superpriority debtor-in-possession credit agreement (the "Junior DIP Credit Agreement"; the credit facility thereunder, the "Junior DIP Facility") with the banks, financial institutions and other lending institutions from time to time party as lenders thereto (the "Junior DIP Lenders") and Alter Domus Products Corp., as administrative agent, in an aggregate principal amount of $650,000,000 to be afforded the liens and priority set forth in the DIP Order; and

WHEREAS, the Lenders and the Letter of Credit Issuers are willing to make available to the Borrower such credit upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Defined Terms.

(a) Terms defined in the preamble have the meaning ascribed to them in the preamble.

(b) As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"4-week Rolling Average Liquidity" shall mean, as of any date of determination, the quotient of (a) the sum of Liquidity at the close of business on each of the four (4) Fridays immediately preceding such date of determination *divided by* (b) four (4).

"13-week Projection" shall mean, for any 13-week period, a 13-week forecast of receipts and disbursements of the Borrower and the other Credit Parties, on a consolidated basis, broken down by week, including (a) individual line items for "Total Receipts," "Total Operating Disbursements," "Professional Fees," "Operating AP Payments," "Payroll/Payroll Taxes," and "Elk Hills Power Capacity/Reimbursement," and (b) anticipated uses of the Facility for such period. Each such 13-week Projection shall be in substantially the same form as the initial Budget delivered pursuant to Section 7.8 and attached hereto as Exhibit A or otherwise in a form acceptable to the Administrative Agent.

"ABR" shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBOR Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted LIBOR Rate for any day shall be based on the LIBOR Screen Rate (or if the LIBOR Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the ABR due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOR Rate, respectively. If the ABR is being used as an alternate rate of interest pursuant to Section 2.17 (for the avoidance of doubt, only until any amendment has become effective pursuant to Section 2.17(b)), then the ABR shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the ABR shall be less than 2.0%, such rate shall be deemed to be 2.0% for purposes of this Agreement.

"ABR Loan" shall mean each Loan bearing interest based on the ABR.

"Adjusted LIBOR Rate" shall mean, with respect to any Borrowing of LIBOR Loans for any Interest Period, an interest rate *per annum* (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Adjusted Total Commitment" shall mean, at any time, the Total Commitment less the aggregate amount of Commitments of all Defaulting Lenders.

"Administrative Agent" shall mean JPMorgan Chase Bank, N.A., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent appointed in accordance with the provisions of Section 13.10.

"Administrative Agent's Office" shall mean the Administrative Agent's address and, as appropriate, account as set forth on Schedule 14.2, or such other address or account as the Administrative Agent may from time to time notify in writing to the Borrower and the Lenders.

"Administrative Questionnaire" shall mean, for each Lender, an administrative questionnaire in a form approved by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise. "Controlling" ("controlling") and "controlled" shall have meanings correlative thereto.

"Affiliated Lender" shall mean (a) any Person to the extent it owns or holds, directly or indirectly, or its Affiliate owns or holds, directly or indirectly, any Stock or Stock Equivalents of the Borrower or any of its Subsidiaries and (b) any Person that acquires rights and obligations under this Agreement from any of the Persons described in the foregoing clause (a), including any successor or assigns of any such Person; provided that the term "Affiliated Lender" shall not include any trust department or Affiliate of a commercial bank holding shares, in trust or otherwise, for clients of the institution.

"Agreement" shall mean this Credit Agreement.

"Ancillary Document" shall have the meaning provided in Section 14.9(b).

"Anti-Corruption Laws" shall mean all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Margin" shall mean, for any day, 4.50% per annum for LIBOR Loans and 3.50% per annum for ABR Loans.

"Approved Electronic Platform" shall have the meaning provided in Section 13.17(a).

"Approved Fund" shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Acceptance" shall mean an assignment and acceptance substantially in the form of Exhibit E or such other form as may be approved by the Administrative Agent.

"Authorized Officer" shall mean as to any Person, the President, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Treasurer, the Assistant or Vice Treasurer, the Vice President-Finance, the General Counsel, any Senior Vice President, any Executive Vice President, and any manager, managing member or general partner, in each case, of such Person, and any other senior officer designated as such in writing to the Administrative Agent by such Person. Any document delivered hereunder that is signed by an Authorized Officer shall be conclusively presumed to have been authorized by all necessary corporate, limited liability company, partnership and/or other action on the part of the Borrower or any other Credit Party and such Authorized Officer shall be conclusively presumed to have acted on behalf of such Person.

"Auto-Extension Letter of Credit" shall have the meaning provided in Section 3.2(b).

"Available Commitment" shall mean, at any time, (a) the Loan Limit at such time minus (b) the Total Credit Exposure at such time.

"Avoidance Action Proceeds" shall mean any and all proceeds of any Avoidance Action.

"Avoidance Actions" shall mean all claims and causes of action under sections 502(d), 544, 545, 547, 548, 550 and 553 of the Bankruptcy Code.

"Bail-In Action" shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" shall mean (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank Price Deck" shall mean the Administrative Agent's forward curve for each of oil, natural gas and other Hydrocarbons, as applicable, furnished to the Borrower by the Administrative Agent from time to time in accordance with the terms of this Agreement. The Administrative Agent hereby agrees to provide an updated Bank Price Deck to the Borrower promptly, and in any event within three (3) Business Days, upon any request of the Borrower.

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy".

"Bankruptcy Court" shall have the meaning provided in the recitals hereto.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a voluntary or involuntary bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment or has had any order for relief in such proceeding entered in respect thereof; provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Benchmark Replacement" shall mean the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LIBOR Rate for Dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than 1.00%, the Benchmark Replacement will be deemed to be 1.00% for the purposes of this Agreement; provided, further, that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion.

"Benchmark Replacement Adjustment" shall mean the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been

selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBOR Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBOR Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time (for the avoidance of doubt, such Benchmark Replacement Adjustment shall not be in the form of a reduction to the Applicable Margin).

"Benchmark Replacement Conforming Changes" shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "ABR," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" shall mean the earlier to occur of the following events with respect to the LIBOR Rate:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the LIBOR Screen Rate permanently or indefinitely ceases to provide the LIBOR Screen Rate; or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event" shall mean the occurrence of one or more of the following events with respect to the LIBOR Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the LIBOR Screen Rate announcing that such administrator has ceased or will cease to provide the LIBOR Screen Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Screen Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBOR Screen Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBOR Screen Rate, a resolution authority with jurisdiction over the administrator for the LIBOR Screen Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBOR Screen Rate, in each case which states that the administrator of the LIBOR Screen Rate has ceased or will cease to provide the LIBOR Screen Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Screen Rate; and/or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBOR Screen Rate announcing that the LIBOR Screen Rate is no longer representative.

"Benchmark Transition Start Date" shall mean (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Majority Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Majority Lenders) and the Lenders.

"Benchmark Unavailability Period" shall mean, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBOR Rate and solely to the extent that the LIBOR Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBOR Rate for all purposes hereunder in accordance with Section 2.17 and (y) ending at the time that a Benchmark Replacement has replaced the LIBOR Rate for all purposes hereunder pursuant to Section 2.17.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230.

"Benefit Plan" shall mean any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Benefited Lender" shall have the meaning provided in Section 14.8(a).

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Board of Directors" shall mean, as to any Person, the board of directors or other governing body of such Person, or if such Person is owned or managed by a single entity, the board of directors or other governing body of such entity.

"Borrower" shall have the meaning provided in the preamble to this Agreement.

"Borrowing" shall mean the incurrence of one Type of Loan on a given date (or resulting from conversions on a given date) having, in the case of LIBOR Loans, the same Interest Period (provided that ABR Loans incurred pursuant to Section 2.10(b) shall be considered part of any related Borrowing of LIBOR Loans).

"Budget" shall mean (a) initially, a 13-week Projection for the 13-week period commencing on the Petition Date, and (b) thereafter, the 13-week Projection approved or deemed approved by the Administrative Agent and the Majority Lenders pursuant to Section 10.1(i)(i).

"Budget Certificate" has the meaning assigned to such term in Section 10.1(i)(i).

"Business Day" shall mean any day excluding Saturday, Sunday and any other day on which banking institutions in New York City or Los Angeles, California are authorized by law or other governmental actions to close, and, if such day relates to (a) any interest rate settings as to a LIBOR Loan, (b) any fundings, disbursements, settlements and payments in respect of any such LIBOR Loan, or (c) any other dealings pursuant to this Agreement in respect of any such LIBOR Loan, such day shall be a day on which dealings in deposits in Dollars are conducted by and between banks in the London interbank eurodollar market.

"Capital Expenditures" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) by the Borrower and the Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as capital expenditures on a consolidated statement of cash flows of the Borrower and its Subsidiaries.

"Capital Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person.

"Capitalized Lease Obligations" shall mean, as applied to any Person, all obligations under Capital Leases of such Person or any of its Subsidiaries, in each case taken at the amount thereof accounted for as liabilities in accordance with GAAP.

"Carve Out" has the meaning assigned to such term in the applicable DIP Order.

"Cash Collateralize" shall have the meaning provided in Section 3.8(c) (and Cash Collateral means cash that has been Cash Collateralized).

"Cash Management Agreement" shall mean any agreement entered into from time to time by the Borrower or any of the Borrower's Subsidiaries in connection with cash management services for collections, other Cash Management Services and for operating, payroll and trust accounts of such Person, including automatic clearing house services, controlled disbursement services, electronic funds transfer services, lockbox services, stop payment services and wire transfer services.

"Cash Management Bank" shall mean any Person that either (a) at the time it provides Cash Management Services, (b) on the Closing Date or (c) at any time after it has provided any Cash Management Services, is a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent.

"Cash Management Obligations" shall mean obligations owed by the Borrower or any Subsidiary to any Cash Management Bank in connection with, or in respect of, any Cash Management Services.

"Cash Management Services" shall mean (a) commercial credit cards, merchant card services, purchase or debit cards, including non-card e-payables services, (b) treasury management services (including controlled disbursement, overdraft, automated clearing house fund transfer services, return items and interstate depository network services) and (c) any other demand deposit or operating account relationships or other cash management services, including any Cash Management Agreement.

"Casualty Event" shall mean, with respect to any Collateral, (a) any damage to, destruction of, or other casualty or loss involving, any property or asset or (b) any seizure, condemnation, confiscation or taking under the power of eminent domain of, or any requisition of title or use of, or relating to, or any similar event in respect of, any property or asset.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

"CFC" shall mean a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change in Law" shall mean the occurrence after the date of this Agreement of any of the following: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender or the Letter of Credit Issuer (or, for purposes of clauses (a)(ii) or (c) of Section 2.10, by any lending office of such Lender or by such Lender's or the Letter of Credit Issuer's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" shall mean and be deemed to have occurred if:

(a) any Person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act, but excluding any employee benefit plan of such Person, entity or "group" and their respective Subsidiaries and any Person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), shall at any time have acquired direct or indirect beneficial ownership (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act) of voting power of the outstanding Voting Stock of the Borrower having more than 35% of the ordinary voting power for the election of directors of the Borrower; or

(b) occupation at any time of a majority of the seats (other than vacant seats) on the Board of Directors of the Borrower by Persons who were not (i) directors of the Borrower on the date of this Agreement, (ii) nominated or appointed by the Board of Directors of the Borrower or (iii) approved by the Board of Directors of the Borrower for consideration by shareholders as director candidates prior to their election.

"Chapter 11 Cases" shall have the meaning provided in the recitals hereto.

"Closing Date" shall mean the date on which the conditions specified in ARTICLE VII are satisfied (or waived in accordance with Section 14.1).

"Code" shall mean the Internal Revenue Code of 1986.

"Collateral" shall mean the "DIP Collateral" as defined in the DIP Order.

"Commitment" shall mean, (a) with respect to each Lender that is a Lender on the Closing Date, the amount set forth opposite such Lender's name on Schedule 1.1(a) as such Lender's "Commitment" and (b) in the case of any Lender that becomes a Lender after the Closing Date, the amount specified as such Lender's "Commitment" in the Assignment and Acceptance pursuant to which such Lender assumed a portion of the Total Commitment, in each case as the same may be changed from time to time pursuant to terms of this Agreement.

"Commitment Fee" shall have the meaning provided in Section 4.1(a).

"Commitment Fee Rate" shall mean, for any day, with respect to the Available Commitment on any day 0.50% per annum.

"Commitment Percentage" shall mean, at any time, for each Lender, the percentage obtained by dividing (a) such Lender's Commitment at such time by (b) the amount of the Total Commitment at such time; provided that at any time when the Total Commitment shall have been terminated, each such Lender's Commitment Percentage shall be the percentage obtained by dividing (i) such Lender's Credit Exposure at such time by (ii) the Total Credit Exposure at such time.

"Commodity Exchange Act" shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Credit Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender by means of electronic communications pursuant to Section 13.17, including through an Approved Electronic Platform.

"Compounded SOFR" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:

(a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(b) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for Dollar-denominated syndicated credit facilities at such time;

provided, further, that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (a) or clause (b) is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of "Benchmark Replacement."

"Confidential Information" shall have the meaning provided in Section 14.16.

"Confirmation Order" shall mean an order of the Bankruptcy Court approving the Plan of Reorganization in form and substance reasonably acceptable to the Administrative Agent.

"Consolidated Cash Balance" shall have the meaning set forth in the definition of "Liquidity".

"Contractual Requirement" shall have the meaning provided in Section 9.3.

"Corresponding Tenor" with respect to a Benchmark Replacement shall mean a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the LIBOR Rate.

"Covered Entity" shall mean any of the following:

(a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" shall have the meaning provided in Section 14.25.

"Credit Documents" shall mean this Agreement, the Guarantee, each Letter of Credit, any promissory notes issued by the Borrower under this Agreement and the Security Documents.

"Credit Event" shall mean and include the making (but not the conversion or continuation) of a Loan and the issuance of a Letter of Credit.

"Credit Exposure" shall mean, with respect to any Lender at any time, the sum of (a) the aggregate principal amount of the Loans of such Lender then outstanding and (b) such Lender's Letter of Credit Exposure at such time.

"Credit Party" shall mean each of the Borrower and the Guarantors.

"Debtor(s)" shall have the meaning provided in the recitals hereto.

"Default" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"Default Rate" shall have the meaning provided in Section 2.8(c).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" shall mean any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any of the Administrative Agent, the Letter of Credit Issuers or the Lenders any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified any of the Borrower, the Administrative Agent, the Letter of Credit Issuers or the Lenders in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing

or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent, the Letter of Credit Issuers or the Lenders, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations as of the date of certification) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon a Lender's or Letter of Credit Issuer's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

"Development Joint Venture" shall mean each incorporated or unincorporated partnership, or other jointly owned enterprise or entity or a joint venture or contractual relationship (even if not a partnership or joint venture), in each case, in effect as of, and in existence on, the Petition Date and set forth on Schedule 1.1(b) to which the Borrower or a Subsidiary is a party and which was formed for the purpose of exploring for and/or developing Oil and Gas Properties, where each of the parties thereto have contributed or agreed to contribute cash, services, Oil and Gas Properties, other assets, or any combination of the foregoing.

"DIP Order" shall mean the Interim Order and the Final Order, as applicable.

"Disclosure Statement" shall mean a disclosure statement for the Plan of Reorganization reasonably acceptable to the Administrative Agent and the Majority Lenders.

"Disposition" shall have the meaning provided in Section 11.4. "Dispose" shall have a correlative meaning.

"Disqualified Stock" shall mean, with respect to any Person, any Stock or Stock Equivalents of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Stock or Stock Equivalents that is not Disqualified Stock), other than as a result of a change of control or asset sale, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than as a result of a change of control or asset sale to the extent the terms of such Stock or Stock Equivalents provide that such Stock or Stock Equivalents shall not be required to be repurchased or redeemed until the Maturity Date has occurred or such repurchase or redemption is otherwise permitted by this Agreement (including as a result of a waiver hereunder)), in whole or in part, in each case prior to the date that is 91 days after the Maturity Date hereunder; provided that, if such Stock or Stock Equivalents are issued to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, such Stock or Stock Equivalents shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations; provided, further, that any Stock or Stock Equivalents held by any future, present or former employee, director, manager or consultant of the Borrower, any of its Subsidiaries or any of its direct or indirect parent companies or any other entity in which the Borrower or a Subsidiary has an Investment and is designated in good faith as an "affiliate" by the board of directors or managers of the Borrower, in each case pursuant to any equity holders' agreement, management equity plan or stock incentive plan or any other management or employee benefit plan or agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries.

"Disregarded Entity" shall mean any Domestic Subsidiary that is disregarded for U.S. federal income tax purposes.

"Dollars" and "$" shall mean dollars in lawful currency of the United States of America.

"Domestic Subsidiary" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States or any state thereof, or the District of Columbia.

"Drawing" shall have the meaning provided in Section 3.4(b).

"Early Opt-in Election" shall mean the occurrence of:

(a) (i) a determination by the Administrative Agent or (ii) a notification by the Majority Lenders to the Administrative Agent (with a copy to the Borrower) that the Majority Lenders have determined that Dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.17 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBOR Rate, and

(b) (i) the election by the Administrative Agent or (ii) the election by the Majority Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Majority Lenders of written notice of such election to the Administrative Agent.

"EEA Financial Institution" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" shall mean any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Signature" shall mean an electronic sound, symbol or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Elk Hills Power Agreements" shall mean, collectively, (a) the Contribution and Unit Purchase Agreement, dated as of February 7, 2018, by and among Elk Hills Power, LLC, California Resources Elk Hills, LLC, ECR Corporate Holdings L.P. and, solely for the purposes of Section 7.14 thereof, California Resources Corporation; (b) the Second Amended and Restated Limited Liability Company Agreement of Elk Hills Power, LLC, dated as of February 7, 2018, by and between California Resources Elk Hills, LLC and ECR Corporate Holdings L.P.; (c) the Commercial Agreement, dated as of February 7, 2018, by and between Elk Hills Power, LLC and California Resources Elk Hills, LLC; (d) the Master Services Agreement, dated as of February 7, 2018, by and between Elk Hills Power, LLC and California Resources Elk Hills, LLC; and (e) any other agreements entered into in connection with the transactions contemplated by the foregoing agreements, in each case, as in effect on the date hereof.

"Environmental Claims" shall mean any and all actions, suits, orders, decrees, demands, demand letters, claims, liens, notices of noncompliance, violation or potential responsibility or investigation (other

than internal reports prepared by or on behalf of the Borrower or any of the Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings arising under or based upon any applicable Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "Claims"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief relating to the presence, release or threatened release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands.

"Environmental Law" shall mean any applicable Federal, state, or local statute, law (including, without limitation, common law), rule, regulation, ordinance, or code of any Governmental Authority now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree or judgment, relating to the protection of the environment, including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or human health or workplace safety (to the extent relating to human exposure to Hazardous Materials), or the release or threatened release of Hazardous Materials.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974. Section references to ERISA are to ERISA as in effect on the Closing Date and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) that together with the Borrower would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"EU Bail-In Legislation Schedule" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" shall have the meaning provided in Section 12.1.

"Exchange Act" shall mean the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder.

"Exchange Rate" shall mean on any day with respect to any currency (other than Dollars), the rate at which such currency may be exchanged into any other currency (including Dollars), as set forth at approximately 11:00 a.m. (London time) on such day on the applicable Bloomberg screen page for such currency. In the event that such rate does not appear on any Bloomberg screen page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 11:00 a.m., local time, on such date for the purchase of the relevant currency for delivery two Business Days later.

"Excluded Hedge Obligation" shall mean, with respect to any Credit Party, any Swap Obligation if, and to the extent that, all or a portion of the liability of such Credit Party with respect to, or the grant by such Credit Party of a security interest to secure, such Swap Obligation (or any Guarantee thereof or other agreement or undertaking agreeing to guarantee, repay, indemnify or otherwise be liable therefor) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) (a) by virtue of such Credit Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee obligation or other liability of such Credit Party or the grant of such security interest becomes or would become effective with respect to such Swap Obligation or (b) in the case of a Swap Obligation subject to a clearing requirement pursuant to section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Credit Party is a "financial entity," as defined in section 2(h)(7)(C)(i) of the Commodity Exchange Act (or any successor provision thereto), at the time the guarantee obligation or other liability of such Credit Party becomes or would become effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee obligation or other liability or security interest is or becomes illegal.

"Excluded Hedges" shall mean Hedge Agreements that (i) are basis differential only swaps for volumes of crude oil and natural gas included under other Hedge Agreements permitted by Section 11.10 or (ii) are a hedge of volumes of crude oil or natural gas by means of a put or a price "floor" for which there exists no mark-to-market exposure to the Borrower.

"Excluded Property" shall mean (a) all Excluded Stock, (b) any property to the extent the grant or maintenance of a Lien on such property (i) is prohibited by applicable law, (ii) could reasonably be expected to result in material adverse tax consequences to the Borrower or any Subsidiary of the Borrower, (iii) requires a consent not obtained of any Governmental Authority pursuant to applicable law or (iv) is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property, except, in the case of clauses (i), (iii) and (iv) of this clause (b), to the extent that such prohibition, consent or term in such contract, license, agreement, instrument or other document or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law (including pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code or pursuant to the Bankruptcy Code), (c) trust accounts, payroll accounts, zero balance accounts and escrow accounts, in each case for so long as they remain such type of account, (d) any intent-to-use trademark or service mark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent that, and solely during the period in which, the grant of a security interest therein would violate the Lanham Act or impair the validity or enforceability of, or render void or voidable or result in the cancellation of, the applicable Grantor's right, title or interest therein or any trademark or service mark that issues as a result of such intent-to-use trademark or service mark application under applicable federal law and (e) proceeds of any of the foregoing, but only to the extent such proceeds would otherwise independently constitute "Excluded Property" under clauses (a) through (d); provided that "Excluded Property" shall not include any Avoidance Action Proceeds.

"Excluded Stock" shall mean (a) solely in the case of any pledge of Stock or Stock Equivalents of any Foreign Corporate Subsidiary or FSHCO to secure the Obligations, any Stock or Stock Equivalents that is Voting Stock of such Foreign Corporate Subsidiary or FSHCO in excess of 66% of the outstanding Stock and Stock Equivalents of such class and, solely in the case of a pledge of Stock or Stock Equivalents of any Disregarded Entity substantially all of whose assets consist of Stock and Stock Equivalents of Foreign Corporate Subsidiaries to secure the Obligations, any Stock or Stock Equivalents of such Disregarded Entity

in excess of 66% of the outstanding Stock and Stock Equivalents of such entity (such percentage to be adjusted upon any change of law as may be required to avoid adverse U.S. federal income tax consequences to the Borrower or any Subsidiary), (b) any Stock or Stock Equivalents to the extent the pledge thereof would be prohibited by any Requirement of Law, (c) in the case of (i) any Stock or Stock Equivalents of any Subsidiary to the extent the pledge of such Stock or Stock Equivalents is prohibited by Contractual Requirements (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable Requirements of Law) or (ii) any Stock or Stock Equivalents of any Subsidiary that is not wholly owned by the Borrower and its Subsidiaries, any Stock or Stock Equivalents of each such Subsidiary described in clause (i) and (ii) to the extent (A) that a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Requirement (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code, the Bankruptcy Code or other applicable Requirements of Law), (B) any Contractual Requirement prohibits such a pledge without the consent of any other party (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable Requirements of Law); provided that this clause (B) shall not apply if (1) such other party is a Credit Party or a Subsidiary or (2) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent) and for so long as such Contractual Requirement or replacement or renewal thereof is in effect, or (C) a pledge thereof to secure the Obligations would give any other party (other than a Credit Party or a wholly owned Subsidiary) to any Contractual Requirement governing such Stock or Stock Equivalents the right to terminate its obligations thereunder unless such termination is subject to Section 362 of the Bankruptcy Code (other than customary non-assignment provisions that are ineffective under the Uniform Commercial Code, the Bankruptcy Code or other applicable Requirement of Law), (d) the Stock or Stock Equivalents of any Subsidiary of a Foreign Corporate Subsidiary and (e) any Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Stock or Stock Equivalents would result in material adverse tax consequences to the Borrower or any Subsidiary as reasonably determined by the Borrower.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, (i) Taxes imposed on or measured by its overall net income or branch profits (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of state, local or foreign law), and franchise (and similar) Taxes imposed on it (in lieu of net income Taxes), in each case by a jurisdiction (including any political subdivision thereof) as a result of such recipient being organized in, having its principal office in, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or as a result of any other present or former connection with such jurisdiction (other than any such connection arising solely from this Agreement or any other Credit Documents or any transactions contemplated thereunder), (ii) except in the case of a Lender that is an assignee pursuant to a request by the Borrower under Section 14.7, in the case of a Non-U.S. Lender, any United States federal withholding Tax imposed on any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document that (A) is required to be imposed on amounts payable to such Non-U.S. Lender pursuant to laws in force at the time such Non-U.S. Lender becomes a party hereto (or designates a new lending office), except to the extent that such Non-U.S. Lender (or its assignor, if any) was entitled, immediately prior to the designation of a new lending office (or assignment), to receive additional amounts or indemnification payments from any Credit Party with respect to such withholding Tax pursuant to Section 5.4 or (B) is attributable to such Non-U.S. Lender's failure to comply with Section 5.4(e) or (iii) any United States federal withholding Tax imposed under FATCA.

"Facility" shall have the meaning provided in the recitals hereto.

"Fair Market Value" shall mean, with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a Disposition of such asset at such date of

determination assuming a Disposition by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as reasonably determined by the Borrower.

"farm-in or farm-out" shall have the meaning commonly given to such term in the oil and gas industry, and without limiting the foregoing, shall expressly include transactions involving assignments or other dispositions of all or part of oil, natural gas or mineral interests in which the assignor or other disposing party retains an interest in consideration of the assignee or other disposing party assuming or undertaking obligations with respect to such interests, including cost reimbursement and/or agreements to perform services in connection with the development of the relevant assets.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations thereunder or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement.

"Federal Funds Effective Rate" shall mean, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Bank of New York's Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"Final Order" means the final order of the Bankruptcy Court authorizing and approving the Debtors' entry into and performance under the Facility on a final basis, including the granting of the Liens and Superpriority Claims in respect of the Facility in favor of the Administrative Agent and the Secured Parties, in substantially the form of the Interim Order, with such changes as the Administrative Agent and the Majority Lenders reasonably approve.

"Final Order Entry Deadline" means, as to the Final Order, entry thereof by the Bankruptcy Court on or before the date that is 40 days following the entry of the Interim Order, unless such date is extended with the consent of the Administrative Agent and the Majority Lenders.

"Financial Officer" means, for any Person, the chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller of such Person. Unless otherwise specified, all references herein to a Financial Officer means a Financial Officer of the Borrower.

"Financial Performance Covenants" shall mean the covenants of the Borrower set forth in Section 11.11.

"Fixtures" shall have the meaning provided in Section 2.18.

"Flood Insurance Regulations" shall mean (a) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (b) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (c) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et. seq.), as the same may be amended or recodified from time to time, (d) the

Flood Insurance Reform Act of 2004, and (e) the Biggert-Waters Flood Reform Act of 2012, and any regulations promulgated thereunder.

"Foreign Corporate Subsidiary" shall mean a Foreign Subsidiary that is treated as a corporation for U.S. federal income tax purposes.

"Foreign Plan" shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any of its Subsidiaries with respect to employees employed outside the United States.

"Foreign Subsidiary" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Fronting Fee" shall have the meaning provided in Section 4.1(c).

"FSHCO" shall mean any direct or indirect Subsidiary that has no material assets other than the Stock or Stock Equivalents of one or more direct or indirect Foreign Corporate Subsidiaries.

"Fund" shall mean any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course.

"GAAP" shall mean United States generally accepted accounting principles, as in effect from time to time.

"Governmental Authority" shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"Guarantee" shall mean the Guarantee made by any Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit D.

"Guarantee Obligations" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such Indebtedness or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness or (d) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided that the term "Guarantee Obligations" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or Disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Guarantors" shall mean each Subsidiary that is a party to the Guarantee on the Closing Date.

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas, (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law and (c) any other chemical, material or substance, which is prohibited, limited or regulated by any applicable Environmental Law.

"Hedge Agreements" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, fixed-price physical delivery contracts, whether or not exchange traded, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement. Notwithstanding the foregoing, agreements or obligations entered into in the ordinary course of business to physically buy or sell any commodity produced from the Borrower's and its Subsidiaries' Oil and Gas Properties or electricity generation facilities under an agreement that has a tenor under 90 days shall not be considered Hedge Agreements.

"Hedge Bank" shall mean (a) any Person (other than the Borrower or any of its Subsidiaries) that (x) at the time it enters into a Hedge Agreement is a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent or (y) at any time after it enters into a Hedge Agreement, it becomes a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent or (b) with respect to any Hedge Agreement that is in effect on the Closing Date, any Person (other than the Borrower or any of its Subsidiaries) that is a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent on the Closing Date.

"Hedge Obligations" shall mean, with respect to any Person, the obligations of such Person under Hedge Agreements.

"Historical Financial Statements" shall mean (a) the audited combined balance sheets of the Borrower and its consolidated Subsidiaries as of December 31, 2018 and December 31, 2019, and the related audited combined statements of income and comprehensive income, statements of net investment and statements of cash flows for each of the fiscal years in the two-year period ended December 31, 2019 and (b) the unaudited combined balance sheet of the Borrower and its consolidated Subsidiaries as of March 31, 2020, and the related unaudited combined statements of income and comprehensive income and statements of cash flows for the three-month period ended March 31, 2020.

"Hydrocarbon Interests" shall mean all rights, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"Hydrocarbons" shall mean oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom.

"ICE NGX" shall mean ICE NGX Canada Inc, collectively with certain of its affiliates and subsidiaries.

"Identified Assets" shall have the meaning provided in Section 5.2(f).

"Impacted Interest Period" shall have the meaning provided in the definition of "LIBOR Rate."

"Improvements" shall have the meaning provided in Section 2.18.

"Indebtedness" of any Person shall mean (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (c) the deferred purchase price of assets or services that in accordance with GAAP would be included as a liability on the balance sheet of such Person (other than (i) any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and (ii) obligations resulting under firm transportation contracts or take or pay contracts entered into in the ordinary course of business), (d) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (e) all Indebtedness (excluding prepaid interest thereon) of any other Person secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (f) the principal component of all Capitalized Lease Obligations of such Person, (g) obligations to deliver commodities, goods or services, including Hydrocarbons, in consideration of one or more advance payments, other than obligations relating to net oil, natural gas liquids or natural gas balancing arrangements arising in the ordinary course of business, (h) the undischarged balance of any Production Payment created by such Person or for the creation of which such Person directly or indirectly received payment, and (i) without duplication, all Guarantee Obligations of such Person; provided that Indebtedness shall not include (i) trade and other ordinary course payables and accrued expenses arising in the ordinary course of business, (ii) deferred or prepaid revenue, (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller, (iv) any obligation in respect of a farm-in agreement, joint development agreement, joint operating agreement or similar arrangement whereby such Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well (which agreement may be subject to a maximum payment obligation, after which expenses are shared in accordance with the working or participation interest therein or in accordance with the agreement of the parties) or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or gas property, (v) any obligations in respect of any Hedge Agreement that is permitted under this Agreement, (vi) prepayments for gas or crude oil production not to exceed $10,000,000 in the aggregate at any time outstanding, provided that no more than $5,000,000 of such prepayments shall be outstanding more than 30 days in advance thereof, or (vii) obligations arising from net profits interests, working interests, overriding, non-participating or other royalty interests or similar real property interests.

"Indemnified Liabilities" shall have the meaning provided in Section 14.5(c).

"Indemnified Taxes" shall mean all Taxes imposed on or with respect to or measured by, any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document other than (a) Excluded Taxes, (b) Other Taxes and (c) any interest, penalties or expenses caused by the Administrative Agent's or Lender's gross negligence or willful misconduct.

"Indemnitee" shall have the meaning provided in Section 14.5(c).

"Industry Investment" shall mean Investments and expenditures made in the ordinary course of, and of a nature that is or shall have become customary in, the oil and gas business as a means of actively engaging therein through agreements, transactions, interests or arrangements that permit one to share risks or costs, comply with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of oil and gas business jointly with third parties, including: (1) ownership interests in oil and gas properties or gathering, transportation, processing, electricity and power generation, or related systems; and (2) Investments and expenditures in the form of or pursuant to operating agreements, processing agreements, farm-in agreements, farm-out agreements, development agreements, area of mutual interest agreements, unitization agreements, pooling arrangements, joint bidding agreements, service contracts, joint venture agreements, partnership agreements (whether general or limited), and other similar agreements (including for limited liability companies) with third parties.

"Interest Period" shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"Interim Order" shall mean an order of the Bankruptcy Court in substantially the form attached hereto as Exhibit G and otherwise reasonably satisfactory in form and substance to the Administrative Agent and the Majority Lenders.

"Interim Period" means the time period commencing on the date of the Bankruptcy Court's entry of the Interim Order and ending on the Final Order Entry Deadline.

"Interpolated Rate" shall mean, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBOR Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Screen Rate for the longest period (for which the LIBOR Screen Rate is available for Dollars) that is shorter than the Impacted Interest Period; and (b) the LIBOR Screen Rate for the shortest period (for which that LIBOR Screen Rate is available for Dollars) that exceeds the Impacted Interest Period, in each case, at such time; provided that, if any Interpolated Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Investment" shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of Stock, Stock Equivalents, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale), (b) the making of any deposit with, or advance, loan or other extension of credit to, assumption of Indebtedness of, or capital contribution to, or purchase or other acquisition of an equity participation in, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person) (including any partnership or joint venture), (c) the entering into of any guarantee of, or other contingent obligation with respect to, Indebtedness or (d) the purchase or other acquisition (in one transaction or a series of transactions) of (x) all or substantially all of the property and assets or business of another Person or (y) assets constituting a business unit, line of business or division of such Person; provided that, in the event that any Investment is made by the Borrower or any Subsidiary in any Person through substantially concurrent interim transfers of any amount through one or more other Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for purposes of Section 11.5.

"ISP" shall mean, with respect to any standby Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" shall mean, with respect to any Letter of Credit, the Letter of Credit Request, and any other document, agreement and instrument entered into by the Letter of Credit Issuer and the Borrower (or any Subsidiary) or in favor of the Letter of Credit Issuer and relating to such Letter of Credit.

"Junior DIP Agent" shall mean Alter Domus Products Corp., in its capacity as administrative agent and collateral agent under the Junior DIP Facility, or any successor administrative agent and collateral agent under the Senior DIP Facility.

"Junior DIP Credit Agreement" shall have the meaning provided in the recitals hereto.

"Junior DIP Facility" shall have the meaning provided in the recitals hereto.

"Junior DIP Lenders" shall have the meaning provided in the recitals hereto.

"L/C Borrowing" shall mean an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing. All L/C Borrowings shall be denominated in Dollars.

"L/C Maturity Date" shall mean the date that is five Business Days prior to the Maturity Date.

"L/C Obligations" shall mean, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unpaid Drawings, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"L/C Participant" shall have the meaning provided in Section 3.3(a).

"L/C Participation" shall have the meaning provided in Section 3.3(a).

"Land" shall have the meaning provided in Section 2.18.

"Lead Arranger" shall mean JPMorgan Chase Bank, N.A., in its capacity as sole lead arranger and sole bookrunner in respect of the Facility.

"Leases" shall have the meaning provided in Section 2.18.

"Lender" shall have the meaning provided in the preamble to this Agreement.

"Lender-Related Person" shall have the meaning provided in Section 14.5(b).

"Letter of Credit" shall have the meaning provided in Section 3.1.

"Letter of Credit Commitment" shall mean $35,000,000, as the same may be increased or reduced from time to time pursuant to Section 3.1; provided that (a) no issuer of a Prepetition Letter of Credit shall be obligated to issue Letters of Credit (including Prepetition Letters of Credit) in an aggregate face amount in excess of $80,000,000 outstanding at any time and (b) Citibank, N.A. shall not be obligated to issue Letters of Credit in an aggregate face amount in excess of $35,000,000 outstanding at any time.

"Letter of Credit Exposure" shall mean, with respect to any Lender, at any time, the sum of (a) the principal amount of any Unpaid Drawings in respect of which such Lender has made (or is required to have

made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a) at such time and (b) such Lender's Commitment Percentage of the Letters of Credit Outstanding at such time (excluding the portion thereof consisting of Unpaid Drawings in respect of which the Lenders have made (or are required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a)) minus the amount of cash or deposit account balances held by the Administrative Agent to Cash Collateralize outstanding Letters of Credit and Unpaid Drawings under Section 3.8.

"Letter of Credit Fee" shall have the meaning provided in Section 4.1(b).

"Letter of Credit Issuer" shall mean (a) JPMorgan Chase Bank, N.A., (b) Bank of America, N.A. and (c) Citibank, N.A., or, in each case, any of their respective Affiliates or any replacement or successor appointed pursuant to Section 3.6. References herein and in the other Credit Documents to the Letter of Credit Issuer shall be deemed to refer to the Letter of Credit Issuer in respect of the applicable Letter of Credit or to all Letter of Credit Issuers, as the context requires.

"Letter of Credit Request" shall have the meaning provided in Section 3.2(a).

"Letters of Credit Outstanding" shall mean, at any time, the sum of, without duplication, (a) the aggregate Stated Amount of all outstanding Letters of Credit and (b) the aggregate principal amount of all Unpaid Drawings in respect of all Letters of Credit.

"Liabilities" shall mean any losses, claims (including intraparty claims), obligations, penalties, actions, demands, damages, judgments or liabilities of any kind.

"LIBOR Loan" shall mean any Loan bearing interest at a rate determined by reference to the LIBOR Rate (other than an ABR Loan bearing interest by reference to the LIBOR Rate by virtue of clause (c) of the definition of ABR).

"LIBOR Rate" shall mean, with respect to any LIBOR Loan for any Interest Period, the LIBOR Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the LIBOR Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period") then the LIBOR Rate shall be the Interpolated Rate.

"LIBOR Screen Rate" shall mean, for any day and time, with respect to any LIBOR Loan for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars) for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion), provided that if the LIBOR Screen Rate shall be less than 1.00%, such rate shall be deemed to 1.00% for the purposes of this Agreement.

"Lien" shall mean any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including (a) the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement or a financing lease, consignment or bailment for security purposes or (b) Production Payments and the like payable out of Oil and Gas Properties; provided that in no event shall an operating lease be deemed to be a Lien.

"Liquidity" shall mean, as of any date of determination, the sum of (a) the Total Commitments at such time minus the Total Credit Exposure at such time and (b) the aggregate amount of unrestricted cash and cash equivalents of the Borrower and its Subsidiaries as set forth on the most recent consolidated balance sheet of the Borrower and its Subsidiaries (it being understood that (i) cash or cash equivalents subject to a control agreement in favor of Persons other than the Administrative Agent for the benefit of the Secured Parties or the Junior DIP Agent for the benefit of the "Secured Parties" under and as defined in the Junior DIP Credit Agreement shall be deemed "restricted" (except calculating the Consolidated Cash Balance for purposes of Section 5.2(d), in which case such cash or cash equivalents shall be deemed not "restricted") and (ii) cash or cash equivalents upon which a Lien in favor of the Administrative Agent for the benefit of the Secured Parties or the Junior DIP Agent for the benefit of the "Secured Parties" under and as defined in the Junior DIP Credit Agreement has been granted (excluding cash that is Cash Collateralizing outstanding L/C Obligations under Section 3.8) shall be deemed not "restricted") (the amount in this clause (b), the "Consolidated Cash Balance").

"Loan" shall mean any extension of credit by a Lender to the Borrower and shall include, for the avoidance of doubt, both New Money Loans and Rollup Loans.

"Loan Limit" shall mean the lesser of (a) the Total Commitment at such time and (b) the amount permitted to be outstanding hereunder pursuant to the Interim Order or the Final Order.

"Majority Lenders" shall mean, at any date, (a) Non-Defaulting Lenders having or holding more than 50% of the unused Adjusted Total Commitment at such date and the Total Credit Exposure (excluding the Credit Exposure of Defaulting Lenders) in the aggregate at such date or (b) for the purposes of acceleration pursuant to ARTICLE XII, Non-Defaulting Lenders having or holding more than 50% of the Loans and Letter of Credit Exposure (excluding the Credit Exposure of Defaulting Lenders) in the aggregate at such date; provided that to the same extent set forth in Section 14.1(b) with respect to a determination of Majority Lenders, the Commitments, Loans and participation interests in Letters of Credit of any Affiliated Lender shall in each case be excluded for purposes of making a determination of Majority Lenders.

"Material Adverse Effect" shall mean a circumstance or condition which would reasonably be expected to have a material adverse effect on (a) the business, assets, operations, properties or financial condition of the Borrower and the other Credit Parties, taken as a whole, (b) the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their payment obligations under this Agreement or any of the other Credit Documents or (c) the rights and remedies of the Administrative Agent and the Lenders under this Agreement or under any of the other Credit Documents.

"Maturity Date" shall mean January 15, 2021.

"Milestones" shall have the meaning provided in Section 10.15.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"Mortgage" shall mean any mortgage or a deed of trust, deed to secure debt, trust deed, assignment of as-extracted collateral, fixture filing or other security document entered into by the owner of a Mortgaged Property and (a) JPMorgan Chase Bank, N.A., as administrative agent, or (b) The Bank of New York Mellon Trust Company, N.A., as collateral agent, in each case, for the benefit of the secured parties under the Prepetition Credit Agreement and which, pursuant to the DIP Order, establishes superpriority Liens in favor of the Administrative Agent for the benefit of the Secured Parties hereunder.

"Mortgaged Property" shall mean the real property and improvements thereto that is encumbered (or required to be encumbered) by the Interim Order (or, if applicable, the Final Order) or described in one or more duly executed, delivered and filed Mortgages evidencing a Lien securing the Prepetition Obligations.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA and is or was within any of the last preceding six years contributed to by the Borrower or an ERISA Affiliate.

"Net Cash Proceeds" shall mean (a) with respect to any Disposition, the cash proceeds (including cash proceeds subsequently received (as and when received) in respect of noncash consideration initially received), net of, in respect of the Debtors (i) selling expenses (including reasonable broker's fees or commissions, legal, accounting and investment banking fees and expenses, title insurance premiums, survey costs, transfer and similar taxes and the Borrower's good faith estimate of income taxes paid or payable in connection with such sale) approved by the Bankruptcy Court, if such approval is necessary pursuant to the Bankruptcy Code, (ii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Disposition (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds), (iii) amounts paid in respect of the termination of Hedge Agreements in respect of notional volumes or amounts corresponding to the property subject of such Disposition or any Indebtedness being repaid under clause (iv) and (iv) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness permitted hereunder that is secured by a Lien permitted hereunder (other than any Lien pursuant to a Security Document) on the asset disposed of in such Disposition and required to be repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such asset); and (b) with respect to any issuance or incurrence of Indebtedness, the cash proceeds thereof, net of all taxes and attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, commissions and brokerage, consultant and other customary fees and charges actually incurred by the Debtors in connection with such issuance.

"New Money Commitment" shall mean the total amount beneath the column entitled "Additional New Money Loans" on Schedule 1.1(a), as the same may be changed from time to time pursuant to the terms of this Agreement.

"New Money Facility" shall have the meaning provided in the recitals hereto.

"New Money Loans" shall have the meaning provided in Section 2.1(a)(i).

"Non-Affiliated Lender" shall mean any Lender that is not an Affiliated Lender.

"Non-Debtor Subsidiaries" shall mean each Subsidiary set forth on Schedule 1.1(c).

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-Extension Notice Date" shall have the meaning provided in Section 3.2(b).

"Non-U.S. Lender" shall mean any Lender that is not a "United States person" as defined by Section 7701(a)(30) of the Code.

"Notice of Borrowing" shall mean a request of the Borrower in accordance with the terms of Section 2.3(a) and substantially in the form of Exhibit B or such other form as shall be approved by the Administrative Agent (acting reasonably).

"Notice of Conversion or Continuation" shall have the meaning provided in Section 2.6(a).

"NYFRB" shall mean the Federal Reserve Bank of New York.

"NYFRB Rate" shall mean, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligations" shall mean all advances to, and debts, liabilities, obligations, covenants and duties of, any Credit Party arising under any Credit Document or otherwise with respect to any Loan or Letter of Credit or under any Secured Cash Management Agreement or Secured Hedge Agreement, in each case, entered into with the Borrower or any of its Subsidiaries, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof in any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Subsidiaries to the extent they have obligations under the Credit Documents) include the obligation (including Guarantee Obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities and other amounts payable by any Credit Party under any Credit Document. Notwithstanding the foregoing, solely with respect to any Credit Party that is not an "eligible contract participant" under the Commodity Exchange Act, Excluded Hedge Obligations of such Credit Party shall in any event be excluded from "Obligations" owing by such Credit Party.

"Oil and Gas Properties" shall mean (a) Hydrocarbon Interests, (b) the properties now or hereafter pooled or unitized with Hydrocarbon Interests, (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests, (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests, (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests, (f) all tenements, hereditaments, appurtenances and properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests and (g) all properties, rights, titles, interests and estates described or referred to above, including any and all property, real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or property (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, gas processing plants and pipeline systems, power and cogeneration facilities, steam flood facilities and any related infrastructure to any thereof, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

"Other Taxes" shall mean any and all present or future stamp, registration, documentary, intangible, recording, filing or any other excise, property or similar taxes (including interest, fines, penalties, additions to tax and related, reasonable, out-of-pocket expenses with regard thereto) arising from any payment made hereunder or made under any other Credit Document or from the execution or delivery of, registration or enforcement of, consummation or administration of, or otherwise with respect to, this Agreement or any other Credit Document; provided that such term shall not include any of the foregoing Taxes (i) that result from an assignment, grant of a participation pursuant to Section 14.6(c) or transfer or assignment to or designation of a new lending office or other office for receiving payments under any Credit Document ("Assignment Taxes") to the extent such Assignment Taxes are imposed as a result of a connection between the assignor/participating Lender and/or the assignee/Participant and the taxing jurisdiction (other than a connection arising solely from any Credit Documents or any transactions contemplated thereunder), except to the extent that any such action described in this proviso is requested or required by the Borrower, or (ii) Excluded Taxes.

"Overnight Rate" shall mean, for any day, the rate comprised of both overnight federal funds and overnight eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Participant" shall have the meaning provided in Section 14.6(c)(i).

"Participant Register" shall have the meaning provided in Section 14.6(c)(ii).

"Patriot Act" shall have the meaning provided in Section 14.19.

"Payment in Full" shall mean the termination of the Total Commitment and each Letter of Credit (unless such Letters of Credit have been collateralized on terms and conditions reasonably satisfactory to the Letter of Credit Issuer following the termination of the Total Commitment) and the payment in full of the Loans and Unpaid Drawings, together with interest, fees and all other Obligations incurred hereunder (other than Hedge Obligations under Secured Hedge Agreements, Cash Management Obligations under Secured Cash Management Agreements or contingent indemnification obligations not then due and payable).

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Permitted Investments" shall mean:

(a) securities issued or unconditionally guaranteed by the United States government or any agency or instrumentality thereof, in each case having maturities and/or reset dates of not more than 24 months from the date of acquisition thereof;

(b) securities issued by any state, territory or commonwealth of the United States of America or any political subdivision of any such state, territory or commonwealth or any public instrumentality thereof or any political subdivision of any such state, territory or commonwealth or any public instrumentality thereof having maturities of not more than 24 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from another nationally recognized rating service);

(c) commercial paper maturing no more than 12 months after the date of creation thereof and, at the time of acquisition, having a rating of at least A-2 or P-2 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(d) time deposits with, or domestic and LIBOR certificates of deposit or bankers' acceptances maturing no more than one year after the date of acquisition thereof issued by any Lender or any other bank having combined capital and surplus of not less than $500,000,000 in the case of domestic banks and $100,000,000 (or the Dollar equivalent thereof) in the case of foreign banks;

(e) repurchase agreements with a term of not more than 90 days for underlying securities of the type described in clauses (a), (b) and (d) above entered into with any bank meeting the qualifications specified in clause (d) above or securities dealers of recognized national standing;

(f) marketable short-term money market and similar funds (i) either having assets in excess of $500,000,000 or (ii) having a rating of at least A-2 or P-2 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(g) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (f) above;

(h) investments in an aggregate amount not to exceed $100,000,000 in corporate debt securities having a rating of either A from S&P or A2 from Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service); and

(i) in the case of Investments by any Foreign Subsidiary or Investments made in a country outside the United States of America, other customarily utilized high-quality Investments in the country where such Foreign Subsidiary is located or in which such Investment is made.

"Permitted Liens" shall mean:

(a) Liens for taxes, assessments or governmental charges or claims not yet overdue for a period of more than 30 days or that are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established to the extent required by and in accordance with GAAP, or for property taxes on property that the Borrower or one of its Subsidiaries has determined to abandon if the sole recourse for such tax, assessment, charge or claim is to such property;

(b) Liens in respect of property or assets of the Borrower or any of the Subsidiaries imposed by law, such as landlords', vendors', operators', suppliers', carriers', warehousemen's, repairmen's, construction contractors', workers' materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business or incident to the exploration, development, operation or maintenance of Oil and Gas Properties, in each case so long as such Liens arise in the ordinary course of business and do not individually or in the aggregate have a Material Adverse Effect;

(c) Liens incurred, or pledges or deposits made in connection with workers' compensation, unemployment insurance and other types of social security, old age pension, public liability obligations or similar legislation and deposits securing liabilities to insurance carriers under insurance or self-insurance arrangements in respect of such obligations, or to secure the performance of tenders, statutory and regulatory

obligations, plugging and abandonment obligations, surety, stay, customs and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (including letters of credit issued in lieu of such bonds or to support the issuance thereof) incurred in the ordinary course of business or otherwise constituting Investments permitted by Section 11.5;

(d) ground leases, subleases, licenses or sublicenses in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(e) easements, rights-of-way, licenses, restrictions (including zoning restrictions), title defects, exceptions, reservations, deficiencies or irregularities in title, encroachments, protrusions, servitudes, rights, eminent domain or condemnation rights, permits, conditions and covenants and other similar charges or encumbrances (including in any rights of way or other property of the Borrower or its Subsidiaries for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil or other minerals or timber, and other like purposes, or for joint or common use of real estate, rights of way, facilities and equipment) not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole and, to the extent reasonably agreed by the Administrative Agent, any exception on the title reports issued in connection with any Oil and Gas Property;

(f) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under any lease, sublease, license or sublicense permitted by this Agreement;

(g) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(h) Liens on goods or inventory the purchase, shipment or storage price of which is financed by a documentary letter of credit or bankers' acceptance issued for the account of the Borrower or any of its Subsidiaries; provided that such Lien secures only the obligations of the Borrower or such Subsidiaries in respect of such letter of credit or bankers' acceptance to the extent permitted under Section 11.1;

(i) leases, licenses, subleases or sublicenses granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(j) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings made in respect of operating leases entered into by the Borrower or any of its Subsidiaries;

(k) Liens created in the ordinary course of business in favor of banks and other financial institutions over credit balances of any bank accounts of the Borrower and the Subsidiaries held at such banks or financial institutions, as the case may be, to facilitate the operation of cash pooling and/or interest set-off arrangements in respect of such bank accounts in the ordinary course of business;

(l) Liens which arise in the ordinary course of business under operating agreements (including preferential purchase rights, consents to assignment and other restraints on alienation), joint operating agreements, joint venture agreements in effect as of the Petition Date, oil and gas partnership agreements, oil and gas leases, farm-out agreements, farm-in agreements, division orders, contracts for the sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty and royalty agreements, reversionary interests, marketing agreements, processing agreements, net profits agreements, development agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements, and other agreements that are usual and customary in the oil and gas business and are for claims which are not delinquent or that are being contested

in good faith and by appropriate proceedings for which appropriate reserves have been established to the extent required by and in accordance with GAAP; and to the extent the same constitute Liens, Liens on Oil and Gas Properties that arise pursuant to usual and customary dedications of Hydrocarbon production from specified Oil and Gas Properties in favor of a joint venture providing midstream services in connection with the obligation to deliver such Hydrocarbons, if and when produced, for transportation or processing by such joint venture, in each case so long as such Liens do not secure any monetary obligation; provided that any such Lien referred to in this clause does not in the aggregate have a Material Adverse Effect;

(m) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries, taken as a whole; and

(n) Liens arising under statutory provisions of applicable law with respect to production purchased from others.

The parties acknowledge and agree that no intention to subordinate the priority afforded the Liens granted in favor of the Administrative Agent, for the benefit of the Secured Parties, under the Security Documents is to be hereby implied or expressed by the permitted existence of such Permitted Liens.

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

"Petition Date" shall have the meaning provided in the recitals hereto.

"Petroleum Industry Standards" shall mean the Definitions for Oil and Gas Reserves promulgated by the Society of Petroleum Engineers (or any generally recognized successor) as in effect at the time in question.

"Plan" shall mean any single-employer plan, as defined in Section 4001 of ERISA and subject to Title IV of ERISA, that is or was within any of the preceding six years maintained or contributed to (or to which there is or was an obligation to contribute or to make payments to) by the Borrower or an ERISA Affiliate.

"Plan of Reorganization" shall mean a plan of reorganization that (a) provides for Payment in Full in cash upon the effective date of such plan, (b) provides that the effective date of such plan shall occur by a date that is within the applicable Milestones and (c) contains customary releases and other exculpatory provisions for the Administrative Agent and the Lenders.

"Pledge Agreement" shall mean that certain Pledge Agreement, dated as of the date hereof, among the Borrower, the other pledgors party thereto and the Administrative Agent, for the benefit of the Secured Parties.

"Premises" shall have the meaning provided in Section 2.18.

"Prepetition Credit Agreement" shall have the meaning provided in the recitals hereto.

"Prepetition Indebtedness" shall mean the Indebtedness set forth on Schedule 11.1.

"Prepetition Letters of Credit" shall mean those letters of credit issued and outstanding under the Prepetition Credit Agreement on the Petition Date, including those letters of credit listed on Schedule 1.1(d).

"Prepetition Loans" shall mean the "Loans" as defined in the Prepetition Credit Agreement.

"Prepetition Obligations" shall mean the obligations described under clause (a)(i) of the definition of "Obligations" under the Prepetition Credit Agreement.

"Prime Rate" shall mean the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Proceeding" means any claim, litigation, investigation, action, suit, arbitration or administrative, judicial or regulatory action or proceeding in any jurisdiction.

"Production Payment" shall mean a production payment obligation (whether volumetric or dollar denominated) of the Borrower or any of its Subsidiaries which is payable from a specified share of proceeds received from production from specified Oil and Gas Properties, together with all undertakings and obligations in connection therewith.

"Proved Developed Producing Reserves" shall mean Proved Reserves that, in accordance with Petroleum Industry Standards, are classified as "Developed Producing Reserves."

"Proved Developed Reserves" shall mean Proved Reserves that, in accordance with Petroleum Industry Standards, are classified as one of the following: (a) "Developed Producing Reserves" or (b) "Developed Non-Producing Reserves"; and Proved Developed Reserves in the aggregate comprise Proved Reserves that are "Developed Producing Reserves" and "Developed Non-Producing Reserves".

"Proved Reserves" shall mean oil and gas reserves that, in accordance with Petroleum Industry Standards, are classified as both "Proved Reserves" and one of the following: (a) "Developed Producing Reserves", (b) "Developed Non-Producing Reserves" or (c) "Undeveloped Reserves"; and "Proved Reserves" in the aggregate comprise Proved Reserves that are "Developed Producing Reserves", "Developed Non-Producing Reserves" and "Undeveloped Reserves".

"Proved Undeveloped Reserves" shall mean Proved Reserves that, in accordance with Petroleum Industry Standards, are classified as "Undeveloped Reserves".

"PTE" shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" shall have the meaning provided in Section 14.25.

"Register" shall have the meaning provided in Section 14.6(b)(iv).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof.

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Reimbursement Date" shall have the meaning provided in Section 3.4(a).

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents and members of such Person or such Person's Affiliates and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Relevant Governmental Body" shall mean the Board and/or the NYFRB, or a committee officially endorsed or convened by the Board and/or the NYFRB or, in each case, any successor thereto.

"Reportable Event" shall mean an event described in Section 4043 of ERISA and the regulations thereunder, other than any event as to which the 30-day notice period has been waived.

"Requirement of Law" shall mean, as to any Person, any law, treaty, rule, regulation statute, order, ordinance, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"Reserve Report" shall mean (a) initially, the reserve report delivered pursuant to Section 7.17 on the Closing Date and (b) thereafter, any report, in form and substance reasonably satisfactory to the Administrative Agent, setting forth, as of each January 1st, April 1st, July 1st or October 1st the Proved Reserves and the Proved Developed Reserves attributable to the Oil and Gas Properties of the Borrower and the Credit Parties, together with a projection of the rate of production and future net income, taxes, operating expenses and Capital Expenditures with respect thereto as of such date, based upon the most recent Bank Price Deck that is provided to the Borrower by the Administrative Agent at least 14 days prior to such date that the Reserve Report is due pursuant to Section 10.13.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Payments" shall have the meaning provided in Section 11.6.

"Restructuring Support Agreement" shall mean that certain Restructuring Support Agreement, dated as of July 15, 2020, among the Credit Parties, the creditors holding term loan claims party thereto from time to time and ECR Corporate Holdings L.P. and the other funds, investment vehicles and/or accounts managed or advised by Ares Management LLC party thereto from time to time.

"Reuters" means, as applicable, Thomson Reuters Corp., Refinitiv, or any successor thereto.

"Rollup Loans" shall have the meaning provided in Section 2.1(a)(ii).

"S&P" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"Sanctioned Country" shall mean, at any time, a country or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, including, but not limited to, the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons.

"Sanctions" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Secured Cash Management Agreement" shall mean any agreement related to Cash Management Services by and between the Borrower or any of its Subsidiaries and any Cash Management Bank.

"Secured Hedge Agreement" shall mean any Hedge Agreement by and between the Borrower or any of its Subsidiaries and any Hedge Bank.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Letter of Credit Issuer, each Lender, each Hedge Bank that is party to any Secured Hedge Agreement, each Cash Management Bank that is a party to any Secured Cash Management Agreement and each sub-agent pursuant to ARTICLE XIII appointed by the Administrative Agent with respect to matters relating to the Credit Documents.

"Security Agreement" shall mean that certain Security Agreement, dated as of the date hereof, among the Borrower, the other grantors party thereto and the Administrative Agent, for the benefit of the Secured Parties.

"Security Documents" shall mean, collectively, (a) the DIP Order, (b) the Security Agreement, (c) the Pledge Agreement, (d) the Mortgages and (e) each other security agreement or other instrument or document executed and delivered in connection with, or as security for the payment or performance of the Obligations.

"Senior DIP Advisors" shall mean Simpson Thacher & Bartlett LLP, in its capacity as counsel for the Administrative Agent, Dacarba LLC, including its affiliates, in its capacity as financial advisor to the Administrative Agent, and one counsel in each appropriate local jurisdiction (other than any allocated costs of in house counsel).

"SOFR" with respect to any day shall mean the secured overnight financing rate published for such day by the NYFRB, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York's Website.

"SOFR-Based Rate" shall mean SOFR, Compounded SOFR or Term SOFR.

"Solicitation Materials" means all solicitation materials in respect of the Plan of Reorganization.

"Stated Amount" of any Letter of Credit shall mean the maximum amount from time to time available to be drawn thereunder, determined without regard to whether any conditions to drawing could then be met.

"Stated Liabilities" shall mean the recorded liabilities (including contingent liabilities that would be recorded in accordance with GAAP) of the Borrower and its Subsidiaries taken as a whole, as of the Closing Date after giving effect to the consummation of the Transactions, determined in accordance with GAAP consistently applied.

"Statutory Reserve Rate" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBOR Rate, for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D). Such reserve percentage shall include those imposed pursuant to Regulation D. LIBOR Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stock" shall mean any and all shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

"Stock Equivalents" shall mean all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable.

"Subsidiary" of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at such time beneficially owned by such Person directly or indirectly and (b) any limited liability company, partnership, association, joint venture or other entity of which such Person directly or indirectly beneficially owns more than 50% of the Stock at such time; provided that any Development Joint Venture that is a Person shall not be deemed to be a Subsidiary of the Borrower or of any of its Subsidiaries. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Superpriority Claim" means a superpriority administrative expense claim pursuant to section 364(c)(1) of the Bankruptcy Code against a Debtor in any of the Chapter 11 Cases having priority over any or all administrative expense claims, adequate protection and other diminution claims, priority and other unsecured claims, and all other claims against a Debtor or its estate, including claims of the kind specified in, or otherwise arising or ordered under, any sections of the Bankruptcy Code (including, without limitation, sections 105(a), 326, 328, 330, 331, 503(a), 503(b), 506(c), 507, 546, 552(b), 726, 1113 and/or 1114 thereof), whether or not such claim or expenses may become secured by a judgment Lien or other non-consensual Lien, levy or attachment.

"Supported QFC" shall have the meaning provided in Section 14.25.

"Swap Obligation" shall mean, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Taxes" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings or other similar charges imposed by any Governmental Authority whether computed on a separate, consolidated, unitary, combined or other basis and any interest, fines, penalties or additions to tax with respect to the foregoing.

"Term SOFR" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Termination Date" shall mean the earliest to occur of (a) the Maturity Date, (b) the sale of all or substantially all of the Credit Parties' assets, (c) the effective date of the Plan of Reorganization or any other plan of reorganization in respect of the Debtors, (d) the termination of the Total Commitment and (e) the date that is 40 days after the Petition Date if the Final Order has not been entered by the Bankruptcy Court by such date.

"Testing Period" shall have the meaning provided in Section 11.11(a).

"Total Commitment" shall mean, as of any date of determination, (a) the sum of the Commitments of the Lenders or (b) if the Total Commitment has been terminated or for the purposes of acceleration pursuant to ARTICLE XII, the sum of the outstanding Loans and Letter of Credit Exposure. The Total Commitment as of the Closing Date is $483,010,655.62.

"Total Credit Exposure" shall mean, as of any date of determination the sum of the Credit Exposures of the Lenders at such date.

"Transaction Expenses" shall mean any fees or expenses incurred or paid by the Borrower or any of its Subsidiaries or any of their Affiliates in connection with the Transactions, this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby.

"Transactions" shall mean, collectively, the execution, delivery and performance of this Agreement and the other Credit Documents, the borrowing of Loans, the use of the proceeds thereof, the issuance of Letters of Credit hereunder, the payment of Transaction Expenses on the Closing Date and the other transactions contemplated by this Agreement and the Credit Documents.

"Transferee" shall have the meaning provided in Section 14.6(e).

"Trust Property" shall have the meaning provided in Section 2.18.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBOR Rate or the ABR.

"UCP" shall mean, with respect to any commercial or standby Letter of Credit, the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"UK Financial Institutions" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than 1.00%, the Unadjusted Benchmark Replacement will be deemed to be 1.00% for the purposes of this Agreement.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the Accumulated Benefit Obligation (as defined under FASB Accounting Standards Codification 715 ("ASC 715")) under the Plan as of the close of its most recent plan year, determined in accordance with ASC 715 as in effect on the Closing Date, exceeds the Fair Market Value of the assets allocable thereto.

"Uniform Commercial Code" shall mean the Uniform Commercial Code of the State of New York or of any other state the laws of which are required to be applied in connection with the perfection of security interests in any Collateral.

"Unpaid Drawing" shall have the meaning provided in Section 3.4(a).

"U.S. Special Resolution Regimes" shall have the meaning provided in Section 14.25.

"Variance Report" shall mean a report in a form reasonably satisfactory to the Administrative Agent detailing any variance (whether plus or minus and expressed as a percentage) between (a) the "Total Operating Disbursements" made during the relevant Testing Period by the Debtors against the "Total Operating Disbursements" set forth in the Budget for the relevant Testing Period and (b) on a line-item basis, receipts and disbursements made during the relevant Testing Period by the Debtors against the corresponding line item set forth in the Budget for the relevant Testing Period.

"Voting Stock" shall mean, with respect to any Person, such Person's Stock or Stock Equivalents having the right to vote for the election of directors of such Person under ordinary circumstances.

"Write-Down and Conversion Powers" shall mean, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “herein”, “hereto”, “hereof” and “hereunder” and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears.

(d) The term “including” is by way of example and not limitation.

(e) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”.

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h) Any reference to any Person shall be constructed to include such Person’s successors or assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all of the functions thereof.

(i) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(j) The word “will” shall be construed to have the same meaning as the word “shall”.

(k) The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.3 Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, applied in a consistent manner; provided that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Majority Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

1.4 Rounding. Any financial ratios required to be maintained or complied with by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents) and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted by any Credit Document and (b) references to any Requirement of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Requirement of Law.

1.6 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York City (daylight or standard, as applicable).

1.7 Timing of Payment or Performance. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (except as otherwise expressly set forth herein) or performance shall extend to the immediately succeeding Business Day.

1.8 Currency Equivalents Generally.

(a) For purposes of any determination under ARTICLE X, ARTICLE XI (other than Section 11.11) or ARTICLE XII or any determination under any other provision of this Agreement requiring the use of a current exchange rate, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the Exchange Rate then in effect on the date of such determination; provided that (x) for purposes of determining compliance with ARTICLE XI with respect to the amount of any Indebtedness, Investment, Disposition, Restricted Payment or payment under Section 11.7 in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness or Investment is incurred or Disposition, Restricted Payment or payment under Section 11.7 is made and (y) for the avoidance of doubt, the foregoing provisions of this Section 1.8 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness or Investment may be incurred or Disposition, Restricted Payment or payment under Section 11.7 may be made at any time under such Sections. For purposes of Section 11.11, amounts in currencies other than Dollars shall be translated into Dollars at the applicable exchange rates used in preparing the most recently delivered financial statements pursuant to Section 10.1(a) or (b).

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with the Borrower's consent (such consent not to be unreasonably withheld) to appropriately reflect a change in currency of any country and any relevant market conventions or practices relating to such change in currency.

1.9 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "LIBOR Loan").

1.10 Divisions. For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a)

if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of Stock at such time.

1.11 Interest Rates; LIBOR Notification. The interest rate on LIBOR Loans is determined by reference to the LIBOR Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on LIBOR Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, Section 2.17(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.17(d), of any change to the reference rate upon which the interest rate on LIBOR Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBOR Rate" or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (a) any such alternative, successor or replacement rate implemented pursuant to Section 2.17(b), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (b) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.17(c)), including whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBOR Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

ARTICLE II
AMOUNT AND TERMS OF CREDIT

2.1 Commitments.

(a) (i) Subject to and upon the terms and conditions herein set forth, including entry of the DIP Order, on and after the Closing Date, each Lender severally, but not jointly, agrees to make new money loans (the "New Money Loans") denominated in Dollars to the Borrower, which New Money Loans (A) shall be made at any time and from time to time on and after the Closing Date and prior to the Termination Date in such amounts authorized by the DIP Order, (B) may, at the option of the Borrower, be incurred and maintained as, and/or converted into, ABR Loans or LIBOR Loans, (C) may be repaid and reborrowed in accordance with the provisions hereof, (D) shall not, for any Lender at any time, after giving effect thereto and to the application of the proceeds thereof, result in such Lender's Credit Exposure at such time exceeding such Lender's Commitment Percentage at such time of the Loan Limit and (E) shall not, after giving effect thereto and to the application of the proceeds thereof, result in the Total Credit Exposure exceeding the Loan Limit at such time.

(ii) Subject to and upon the terms and conditions herein set forth, including entry of the Interim Order, a portion of the Prepetition Loans under the Prepetition Credit Agreement shall be deemed refunded, refinanced, replaced and made hereunder, and, on and after the Closing Date, shall

constitute Loans for all purposes hereunder and under the Credit Documents in the principal amount for each Lender set forth on Schedule 1.1(a) beneath the column entitled "Rollup Loan Amount" (the "Rollup Loans"). Amounts rolled up under this Section 2.1(a)(ii) and repaid or prepaid may not be reborrowed.

(b) All Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Loans of the same Type.

(c) Each Lender may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that (1) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan and (2) in exercising such option, such Lender shall use its reasonable efforts to minimize any increased costs to the Borrower resulting therefrom (which obligation of the Lender shall not require it to take, or refrain from taking, actions that it determines would result in increased costs for which it will not be compensated hereunder or that it determines would be otherwise disadvantageous to it and in the event of such request for costs for which compensation is provided under this Agreement, the provisions of Section 2.10 shall apply).

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing shall be in a minimum amount of at least $1,000,000 and in a multiple of $100,000 in excess thereof (except for any Borrowing in an aggregate amount that is equal to the entire unused balance of the Total Commitment) and Loans to reimburse the Letter of Credit Issuer with respect to any Unpaid Drawing shall be made in the amounts required by Sections 3.3 or 3.4, as applicable. More than one Borrowing may be incurred on any date; provided, that at no time shall there be outstanding more than ten Borrowings of LIBOR Loans under this Agreement.

2.3 Notice of Borrowing.

(a) Whenever the Borrower desires to incur Loans (other than borrowings to repay Unpaid Drawings), the Borrower shall give the Administrative Agent at the Administrative Agent's Office, (i) prior to 1:00 p.m. (New York City time) at least three Business Days' prior written notice (or telephonic notice promptly confirmed in writing) of each Borrowing of Loans if such Loans are to be initially LIBOR Loans and (ii) written notice (or telephonic notice promptly confirmed in writing) prior to 1:00 p.m. (New York City time) on the date of each Borrowing of Loans that are to be ABR Loans. Such notice (a "Notice of Borrowing") shall specify (A) the aggregate principal amount of the Loans to be made pursuant to such Borrowing, (B) the date of the Borrowing (which shall be a Business Day), (C) whether the respective Borrowing shall consist of ABR Loans and/or LIBOR Loans and, if LIBOR Loans, the Interest Period to be initially applicable thereto (if no Interest Period is selected, the Borrower shall be deemed to have selected an Interest Period of one month's duration), (D) the current Total Credit Exposure (without regard to the requested Borrowing) of all Lenders and the *pro forma* Total Credit Exposure (giving effect to the requested Borrowing) of all Lenders and (E) the *pro forma* Consolidated Cash Balance (giving effect to the requested Borrowing). The Administrative Agent shall promptly give each Lender written notice (or telephonic notice promptly confirmed in writing) of each proposed Borrowing, of such Lender's Commitment Percentage thereof and of the other matters covered by the related Notice of Borrowing.

(b) [Reserved].

(c) [Reserved].

(d) Borrowings to reimburse Unpaid Drawings shall be made upon the notice specified in Section 3.4(a).

(e) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it may give hereunder by telephone, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower.

2.4 Disbursement of Funds.

(a) No later than 3:00 p.m. (New York City time) on the date specified in each Notice of Borrowing, each Lender will make available its *pro rata* portion of each Borrowing requested to be made on such date in the manner provided below.

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing in immediately available funds to the Administrative Agent at the Administrative Agent's Office in Dollars, and the Administrative Agent will (except in the case of Borrowings to repay Unpaid Drawings) make available to the Borrower, by depositing or wiring to an account as designated by the Borrower in the Notice of Borrowing to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent in Dollars. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby promises to pay to the Administrative Agent, for the benefit of the applicable Lenders, on the Termination Date, the then outstanding principal amount of all Loans.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office from time to time, including the amounts of principal and interest payable and paid to such lending office from time to time under this Agreement.

(c) The Administrative Agent, on behalf of the Borrower, shall maintain the Register pursuant to Section 14.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(d) The entries made in the Register and accounts and subaccounts maintained pursuant to clause (b) of this Section 2.5 shall, to the extent permitted by applicable Requirements of Law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement

(e) Any Lender may request that Loans made by it be evidenced by a promissory note substantially in the form of Exhibit F hereto. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 14.6) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

2.6 Conversions and Continuations.

(a) Subject to the penultimate sentence of this clause (a), (i) the Borrower shall have the option on any Business Day to convert all or a portion equal to at least $1,000,000 (and in multiples of $100,000 in excess thereof) of the outstanding principal amount of Loans of one Type into a Borrowing or Borrowings of another Type and (ii) the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans as LIBOR Loans for an additional Interest Period; provided that (A) no partial conversion of LIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans made pursuant to a single Borrowing to less than $1,000,000, (B) ABR Loans may not be converted into LIBOR Loans if an Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Majority Lenders have determined in its or their sole discretion not to permit such conversion, (C) LIBOR Loans may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the Majority Lenders have determined in its or their sole discretion not to permit such continuation, and (D) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent at the Administrative Agent's Office prior to 1:00 p.m. (New York City time) at least (1) three Business Days', in the case of a continuation of or conversion to LIBOR Loans or (2) the date of conversion, in the case of a conversion into ABR Loans, prior written notice (or telephonic notice promptly confirmed in writing) (each, a "Notice of Conversion or Continuation") specifying the Loans to be so converted or continued, the Type of Loans to be converted into or continued and, if such Loans are to be converted into or continued as LIBOR Loans, the Interest Period to be initially applicable thereto (if no Interest Period is selected, the Borrower shall be deemed to have selected an Interest Period of one month's duration). The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Loans.

(b) If any Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans and the Administrative Agent has or the Majority Lenders have determined in its or their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a) above, the Borrower shall be deemed to have elected to convert such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

(c) Notwithstanding anything to the contrary herein, the Borrower may deliver a Notice of Conversion or Continuation pursuant to which the Borrower elects to irrevocably continue the outstanding principal amount of any Loans subject to an interest rate Hedge Agreement as LIBOR Loans for each Interest Period until the expiration of the term of such applicable Hedge Agreement; provided that any Notice of Conversion or Continuation delivered pursuant to this Section 2.6(c) shall include a schedule attaching the relevant interest rate Hedge Agreement or related trade confirmation.

2.7 Pro Rata Borrowings. Each Borrowing of Loans under this Agreement shall be made by the Lenders *pro rata* on the basis of their then applicable Commitment Percentages. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender severally but not jointly shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation under any Credit Document.

2.8 Interest.

(a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin plus the ABR.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin plus the Adjusted LIBOR Rate, in each case, in effect from time to time.

(c) Upon the occurrence and during the continuance of an Event of Default, the Loans and all interest payable thereon shall bear interest (after as well as before judgment) at a rate per annum that is (the "Default Rate") the rate that would otherwise be applicable thereto plus 2% or, in the event there is no applicable rate, to the extent permitted by applicable Requirements of Law, the rate described in Section 2.8(a) plus 2%.

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable in Dollars; provided that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each ABR Loan, monthly in arrears on the last Business Day of each calendar month, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period of three months, on each date occurring at one-month intervals after the first day of such Interest Period, (iii) in respect of each Loan, (A) on any prepayment (on the amount prepaid), (B) at maturity (whether by acceleration or otherwise) and (C) after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of LIBOR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans in accordance with Section 2.6(a), the Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower be a one, two or three-month period.

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that, if any Interest Period in respect of a LIBOR Loan would otherwise expire on a day that is not a Business Day, but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan if such Interest Period would extend beyond the Maturity Date.

2.10 Increased Costs, Illegality, Etc

(a) In the event that any Lender, shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) that, due to a Change in Law occurring at any time or after the Closing Date, which Change in Law shall (A) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBOR Rate), (B) subject any Lender to any Tax with respect to any Credit Document or any LIBOR Loan made by it (other than (i) Taxes indemnifiable under Section 5.4, or (ii) Excluded Taxes), or (C) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or LIBOR Loans made by such Lender, which results in the cost to such Lender of making, converting into, continuing or maintaining LIBOR Loans or participating in Letters of Credit (in each case hereunder) increasing by an

amount which such Lender reasonably deems material or the amounts received or receivable by such Lender hereunder with respect to the foregoing shall be reduced; or

(ii) at any time, that the making or continuance of any LIBOR Loan has become unlawful as a result of compliance by such Lender in good faith with any Requirement of Law (or would conflict with any such Requirement of Law not having the force of law even though the failure to comply therewith would not be unlawful);

then, and in any such event, such Lender shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, the Borrower shall pay to such Lender, promptly (but no later than fifteen days) after receipt of written demand therefor such additional amounts as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto) and (y) in the case of clause (ii) above, the Borrower shall take one of the actions specified in Section 2.10(b), as promptly as possible and, in any event, within the time period required by applicable Requirements of Law.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(i) or (ii), the Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(ii) shall) either (i) if the affected LIBOR Loan is then being made pursuant to a Borrowing, cancel such Borrowing by giving the Administrative Agent telephonic notice (confirmed promptly in writing) thereof on the same date that the Borrower was notified by a Lender pursuant to Section 2.10(a)(i) or (ii) or (ii) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Lender to convert each such LIBOR Loan into an ABR Loan; provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Closing Date, any Change in Law relating to capital adequacy or liquidity requirements of any Lender or compliance by any Lender or its parent with any Change in Law relating to capital adequacy or liquidity requirements occurring after the Closing Date, has or would have the effect of reducing the rate of return on such Lender's or its parent's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent could have achieved but for such Change in Law (taking into consideration such Lender's or its parent's policies with respect to capital adequacy or liquidity requirements), then from time to time, promptly (but in any event no later than fifteen days) after written demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any applicable Requirement of Law as in effect on the Closing Date (except as otherwise set forth in the definition of Change in Law). Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) upon receipt of such notice.

2.11 Compensation. If (a) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a

result of a payment or conversion pursuant to Sections 2.5, 2.6, 2.10, 5.1, 5.2 or 14.7, as a result of acceleration of the maturity of the Loans pursuant to ARTICLE XII or for any other reason, (b) any Borrowing of LIBOR Loans is not made on the date specified in a Notice of Borrowing, (c) any ABR Loan is not converted into a LIBOR Loan on the date specified in a Notice of Conversion or Continuation, (d) any LIBOR Loan is not continued as a LIBOR Loan on the date specified in a Notice of Conversion or Continuation or (e) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Section 5.1 or 5.2, the Borrower shall after the Borrower's receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount and shall be conclusive and binding in the absence of manifest error), pay to the Administrative Agent (within fifteen days after such request) for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan.

2.12 Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10, 2.11, 3.5 or 5.4 is given by any Lender more than 180 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Section 2.10, 2.11, 3.5 or 5.4, as the case may be, for any such amounts incurred or accruing prior to the 181st day prior to the giving of such notice to the Borrower; provided that if the circumstance giving rise to such claim is retroactive, then such 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

2.13 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(i), 2.10(a)(ii), 2.10(c), 3.5 or 5.4 with respect to such Lender, it will, if requested by the Borrower use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event; provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.13 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Section 2.10, 3.5 or 5.4.

2.14 [Reserved].

2.15 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Commitment Fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 4.1(a);

(b) The Commitment and the Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 14.1); provided that any waiver, amendment or modification requiring the consent of all Lenders pursuant to Section 14.1 (other than Section 14.1(b)(x) or requiring the consent of each affected Lender pursuant to Section 14.1(b)(i) or (ix)) shall require the consent of such Defaulting Lender (which for the avoidance of doubt would include any change to the Maturity Date applicable to such Defaulting Lender, decreasing or forgiving any principal or interest due to such Defaulting Lender, any decrease of any interest rate applicable to Loans made by such

Defaulting Lender (other than the waiving of post-default interest rates) and any increase in such Defaulting Lender's Commitment);

(c) If any Letter of Credit Exposure exists at the time a Lender becomes a Defaulting Lender, then (i) all or any part of such Letter of Credit Exposure of such Defaulting Lender will, subject to the limitation in the first proviso below, automatically be reallocated (effective on the day such Lender becomes a Defaulting Lender) among the Non-Defaulting Lenders *pro rata* in accordance with their respective Commitment Percentages; provided that (A) each Non-Defaulting Lender's Credit Exposure may not in any event exceed the Commitment Percentage of the Loan Limit of such Non-Defaulting Lender as in effect at the time of such reallocation and (B) subject to Section 14.24, neither such reallocation nor any payment by a Non-Defaulting Lender pursuant thereto will constitute a waiver or release of any claim the Borrower, the Administrative Agent, the Letter of Credit Issuers or any other Lender may have against such Defaulting Lender or cause such Defaulting Lender to be a Non-Defaulting Lender, (ii) to the extent that all or any portion (the "unreallocated portion") of the Defaulting Lender's Letter of Credit Exposure cannot, or can only partially, be so reallocated to Non-Defaulting Lenders, whether by reason of the first proviso in Section 2.15(c)(i) or otherwise, the Borrower shall within two Business Days following notice by the Administrative Agent or the applicable Letter of Credit Issuer Cash Collateralize, for the benefit of the applicable Letter of Credit Issuer only, the Borrower's obligations corresponding to such Defaulting Lender's Letter of Credit Exposure (after giving effect to any partial reallocation pursuant to clause (i) above), in accordance with the procedures set forth in Section 3.8 for so long as such Letter of Credit Exposure is outstanding, (iii) if the Borrower Cash Collateralizes any portion of such Defaulting Lender's Letter of Credit Exposure pursuant to Section 2.15(c), the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 4.1(b) with respect to such Defaulting Lender's Letter of Credit Exposure during the period such Defaulting Lender's Letter of Credit Exposure is Cash Collateralized, (iv) if the Letter of Credit Exposure of the Non-Defaulting Lenders is reallocated pursuant to Section 2.15(c), then the Letter of Credit Fees payable for the account of the Lenders pursuant to Section 4.1(b) shall be adjusted in accordance with such Non-Defaulting Lenders' Commitment Percentages and the Borrower shall not be required to pay any Letter of Credit Fees to the Defaulting Lender pursuant to Section 4.1(b) with respect to such Defaulting Lender's Letter of Credit Exposure during the period that such Defaulting Lender's Letter of Credit Exposure is reallocated, or (v) if any Defaulting Lender's Letter of Credit Exposure is neither Cash Collateralized nor reallocated pursuant to this Section 2.15(c), then, without prejudice to any rights or remedies of the Letter of Credit Issuer or any Lender hereunder, all Letter of Credit Fees payable under Section 4.1(b) with respect to such Defaulting Lender's Letter of Credit Exposure shall be payable to the Letter of Credit Issuer until such Letter of Credit Exposure is Cash Collateralized and/or reallocated;

(d) So long as any Lender is a Defaulting Lender, no Letter of Credit Issuer will be required to issue any new Letter of Credit or amend any outstanding Letter of Credit to increase the Stated Amount thereof, alter the drawing terms thereunder or extend the expiry date thereof, unless the Letter of Credit Issuer is reasonably satisfied that any exposure that would result from the exposure to such Defaulting Lender is eliminated or fully covered by the Commitments of the Non-Defaulting Lenders or by Cash Collateralization or a combination thereof in accordance with clause (c) above or otherwise in a manner reasonably satisfactory to the Letter of Credit Issuer, and participating interests in any such newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.15(c) (and Defaulting Lenders shall not participate therein); and

(e) If the Borrower, the Administrative Agent and each Letter of Credit Issuer agree in writing in their discretion that a Lender that is a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon, as of the effective date specified in such notice and subject to any conditions set forth therein, such Lender will cease to be a Defaulting Lender and will be a Non-Defaulting Lender and any applicable Cash Collateral shall be promptly

returned to the Borrower and any Letter of Credit Exposure of such Lender reallocated pursuant to Section 2.15(c) shall be reallocated back to such Lender; provided that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

(f) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article XII or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 14.8), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a *pro rata* basis of any amounts owing by that Defaulting Lender to each Letter of Credit Issuer; third, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fourth, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; fifth, to the payment of any amounts owing to the Lenders or the Letter of Credit Issuers as a result of any judgment of a court of competent jurisdiction obtained by any Lender or such Letter of Credit Issuer against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; sixth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and seventh, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is a payment of the principal amount of any Loans or Unpaid Drawings, such payment shall be applied solely to pay the relevant Loans of, and Unpaid Drawings owed to, the relevant non-Defaulting Lenders on a *pro rata* basis prior to being applied in the manner set forth in this Section 2.15(f). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to Section 3.8 shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(g) Notwithstanding anything to the contrary herein, if (i) a Bankruptcy Event or a Bail-In Action with respect to a Lender Parent shall occur following the date hereof and for so long as such event shall continue or (ii) any Letter of Credit Issuer has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Letter of Credit Issuer shall be required to issue, amend or increase any Letter of Credit, unless the Letter of Credit Issuers shall have entered into arrangements with the Borrower or such Lender satisfactory to such Letter of Credit Issuer to defease any risk to it in respect of such Lender hereunder.

2.16 [Reserved].

2.17 Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d) and (e) of this Section 2.17, if prior to the commencement of any Interest Period for a Borrowing of LIBOR Loans:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBOR Rate or the LIBOR Rate, as applicable (including because the LIBOR Screen Rate is not available or published on a current basis), for such Interest Period; or

(ii) the Administrative Agent is advised by the Majority Lenders that the Adjusted LIBOR Rate or the LIBOR Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the applicable Lenders by telephone or e-mail or other electronic means as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Notice of Conversion or Continuation that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Borrowing of LIBOR Loans shall be ineffective and (B) if any Notice of Borrowing requests a Borrowing of LIBOR Loans, such Borrowing shall be made as a Borrowing of ABR Loans; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

(b) Notwithstanding anything to the contrary herein or in any other Credit Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the LIBOR Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower, so long as the Administrative Agent has not received, by such time, written notice of objection to such proposed amendment from Lenders comprising the Majority Lenders; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Majority Lenders have delivered to the Administrative Agent written notice that such Majority Lenders accept such amendment. No replacement of LIBOR Rate with a Benchmark Replacement will occur prior to the applicable Benchmark Transition Start Date.

(c) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.17.

(e) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, (i) any Notice of Conversion or Continuation that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Borrowing of LIBOR Loans shall be ineffective and (ii) if any Notice of Borrowing requests a Borrowing of LIBOR Loans, such Borrowing shall be made as a Borrowing of ABR Loans.

2.18 Trust Property. Further to the Interim Order (and, when entered, the Final Order), to secure the full and timely payment and performance of the Obligations, each Credit Party hereby and unconditionally grants, bargains, assigns, mortgages, sells, transfers and conveys, to the Administrative Agent, for the ratable benefit of the Secured Parties, the Trust Property (defined below), to have and to hold the Trust Property, in trust for the Administrative Agent, for the ratable benefit of the Secured Parties, with power of sale (to the fullest extent permitted by applicable law) (but excluding from the foregoing grant, Excluded Property) and each party does hereby bind itself, its successors and assigns to warrant and forever defend the title to the Trust Property unto the Administrative Agent, for the ratable benefit of the Secured Parties. As used in this Section 2.18, the "Trust Property" means all right, title and interest of each Credit Party, whether now owned or hereafter acquired, in and to: (a) fee interests and/or leasehold interests in land (the "Land"), together with all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing and all interests now or in the future arising in respect of, benefiting or otherwise relating to the Land, including, without limitation, easements, rights-of-way and development rights, including all right, title and interest now owned or hereafter acquired by such Credit Party in and to any land lying within the right of way of any street, open or proposed, adjoining the Land, and any and all sidewalks, alleys, driveways, and strips and gores of land adjacent to or used in connection with the Land; (b) all improvements now owned or hereafter acquired by such Credit Party, now or at any time situated, placed or constructed upon the Land (the "Improvements"); (c) all of such Credit Party's right, title and interest in and to fixtures, machinery, appliances, goods, building or other materials, equipment, including all machinery, equipment, engines, appliances and fixtures for generating or distributing air, water, heat, electricity, light, sewage, fuel or refrigeration, or for ventilating or sanitary purposes, the exclusion of vermin or insects, or the removal of dust, refuse or garbage, and all extensions, additions, accessions, improvements, betterments, renewals, substitutions, and, replacements to any of the foregoing, which, to the fullest extent permitted by law, shall be conclusively deemed fixtures and improvements and a part of the real property hereby encumbered (the "Fixtures") (the real property, Improvements and Fixtures are collectively referred to as the "Premises"); (d) all of such Credit Party's right, title and interest in and to leases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant to any Person a possessory interest in, or the right to use, all or any part of the Trust Property, together with all related security and other deposits (the "Leases"); (e) all of such Credit Party's right, title and interest in and to the rents, revenues, royalties, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Trust Property; (f) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof; (g) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by such Credit Party; and (h) all awards, damages, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Premises.

ARTICLE III
LETTERS OF CREDIT

3.1 Letters of Credit.

(a) Subject to and upon the terms and conditions herein set forth, including entry of the DIP Order, (i) the Prepetition Letters of Credit shall be deemed to have been issued pursuant hereto on the Closing Date and, on and after the Closing Date, shall constitute Letters of Credit for all purposes hereunder and under the Credit Documents and (ii) at any time and from time to time on and after the Closing Date and prior to the L/C Maturity Date, the Letter of Credit Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Article III, to issue upon the request of the Borrower and for the direct or indirect benefit of the Borrower and the Subsidiaries, a letter of credit or letters of credit (the "Letters of Credit" and

each, a "Letter of Credit") in Dollars and in such form and with such Issuer Documents as may be approved by the Letter of Credit Issuer in its reasonable discretion; provided that the Borrower shall be a co-applicant of, and jointly and severally liable with respect to, each Letter of Credit issued for the account of a Subsidiary.

(b) Notwithstanding the foregoing, (i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letters of Credit Outstanding at such time (excluding Prepetition Letters of Credit), would exceed the Letter of Credit Commitment then in effect, (ii) no Letter of Credit shall be issued the Stated Amount of which would cause the Total Credit Exposure at such time to exceed the Loan Limit then in effect, (iii) each Letter of Credit (including any Prepetition Letter of Credit) shall have an expiration date occurring no later than one year after the date of issuance or such longer period of time as may be agreed by the applicable Letter of Credit Issuer, unless otherwise agreed upon by the Administrative Agent and the Letter of Credit Issuer or as provided under Section 3.2(b); provided that any Letter of Credit may provide for automatic renewal thereof for additional periods of up to 12 months or such longer period of time as may be agreed by the applicable Letter of Credit Issuer, subject to the provisions of Section 3.2(b); provided, that, notwithstanding anything to the contrary contained herein, with respect to Letters of Credit issued, renewed or extended after the Closing Date, in no event shall such expiration date occur later than the L/C Maturity Date, (iv) each Letter of Credit shall be denominated in Dollars, (v) no Letter of Credit shall be issued if it would be illegal under any applicable Requirement of Law for the beneficiary of the Letter of Credit to have a Letter of Credit issued in its favor and (vi) no Letter of Credit shall be issued by a Letter of Credit Issuer after it has received a written notice from any Credit Party or the Administrative Agent or the Majority Lenders stating that a Default or Event of Default has occurred and is continuing until such time as the Letter of Credit Issuer shall have received a written notice (A) of rescission of such notice from the party or parties originally delivering such notice, (B) of the waiver of such Default or Event of Default in accordance with the provisions of Section 14.1 or (C) that such Default or Event of Default is no longer continuing.

(c) Upon at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent and the Letter of Credit Issuer (which notice the Administrative Agent shall promptly transmit to each of the applicable Lenders), the Borrower shall have the right, on any day, permanently to terminate or reduce the Letter of Credit Commitment in whole or in part; provided that, after giving effect to such termination or reduction, the Letters of Credit Outstanding (excluding Prepetition Letters of Credit) shall not exceed the Letter of Credit Commitment.

(d) Notwithstanding anything herein to the contrary, the Letter of Credit Commitment shall be automatically increased by the face amount of any Prepetition Letters of Credit that are terminated or expire after the Closing Date to the extent such Prepetition Letters of Credit are undrawn at the time of termination or expiration.

(e) Notwithstanding anything herein to the contrary, the Borrower shall not permit the aggregate amount of posted collateral and other credit support, including Letters of Credit, to secure payment for transactions effected through the ICE NGX centralized exchange and clearinghouse to exceed $8,000,000.

3.2 Letter of Credit Requests.

(a) Whenever the Borrower desires that a Letter of Credit be issued for its account, the Borrower shall give the Administrative Agent and the Letter of Credit Issuer a Letter of Credit Request by no later than 1:00 p.m. (New York City time) at least two (or such lesser number as may be agreed upon by the Administrative Agent and the Letter of Credit Issuer) Business Days prior to the proposed date of issuance.

Each notice shall be executed by the Borrower and shall be in the form of Exhibit C or such other form (including by electronic or fax transmission) as reasonably agreed between the Borrower, the Administrative Agent and the Letter of Credit Issuer (each a "Letter of Credit Request"). No Letter of Credit Issuer shall issue any Letters of Credit unless such Letter of Credit Issuer shall have received notice from the Administrative Agent that the conditions to such issuance have been met, which notice shall be deemed given (i) if the Letter of Credit Issuer has not received notice from the Administrative Agent that the conditions to such issuance have been met within two Business Days after the date of the applicable Letter of Credit Request or (ii) if the aggregate amount of Letters of Credit Outstanding issued by such Letter of Credit Issuer then outstanding does not exceed the amount theretofore agreed to by the Borrower, the Administrative Agent and such Letter of Credit Issuer, and the Administrative Agent has not otherwise notified such Letter of Credit Issuer that it may no longer rely on this clause (i).

(b) If the Borrower so requests in any applicable Letter of Credit Request, the Letter of Credit Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the Letter of Credit Issuer to prevent any such extension at least once in each 12-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such 12-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Letter of Credit Issuer, the Borrower shall not be required to make a specific request to the Letter of Credit Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the Letter of Credit Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the L/C Maturity Date; provided, however, that the Letter of Credit Issuer shall not permit any such extension if (i) the Letter of Credit Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (b) of Section 3.1 or otherwise), or (ii) it has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (A) from the Administrative Agent that the Majority Lenders have elected not to permit such extension or (B) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Article VIII are not then satisfied, and in each such case directing the Letter of Credit Issuer not to permit such extension.

(c) Each Letter of Credit Issuer (other than the Administrative Agent or any of its Affiliates) shall, at least once per month (or on a more frequent basis as reasonably requested by the Administrative Agent), provide the Administrative Agent with a list of all Letters of Credit issued by it that are outstanding at such time.

(d) The making of each Letter of Credit Request shall be deemed to be a representation and warranty by the Borrower that the Letter of Credit may be issued in accordance with, and will not violate the requirements of, Section 3.1(b).

3.3 Letter of Credit Participations.

(a) Immediately upon the issuance by the Letter of Credit Issuer of any Letter of Credit, the Letter of Credit Issuer shall be deemed to have sold and transferred to each Lender (each such Lender, in its capacity under this Section 3.3, an "L/C Participant"), and each such L/C Participant shall be deemed irrevocably and unconditionally to have purchased and received from the Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation (each an "L/C Participation"), to the extent of such L/C Participant's Commitment Percentage, in each Letter of Credit, each substitute therefor, each drawing made thereunder and the obligations of the Borrower under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto.

(b) In determining whether to pay under any Letter of Credit, the relevant Letter of Credit Issuer shall have no obligation relative to the L/C Participants other than to confirm that (i) any documents required to be delivered under such Letter of Credit have been delivered, (ii) the Letter of Credit Issuer has examined the documents with reasonable care and (iii) the documents appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the relevant Letter of Credit Issuer under or in connection with any Letter of Credit issued by it, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for the Letter of Credit Issuer any resulting liability.

(c) In the event that the Letter of Credit Issuer makes any payment under any Letter of Credit issued by it and the Borrower shall not have repaid such amount in full to the respective Letter of Credit Issuer pursuant to Section 3.4(a), or if any reimbursement payment is required to be refunded to the Borrower, the Letter of Credit Issuer shall promptly notify the Administrative Agent and each L/C Participant of such failure, and each such L/C Participant shall promptly and unconditionally pay to the Administrative Agent for the account of the Letter of Credit Issuer, the amount of such L/C Participant's Commitment Percentage of such unreimbursed payment in Dollars and in immediately available funds; provided, however, that the foregoing shall not be construed to excuse the Letter of Credit Issuer for any liability to the Borrower arising from any wrongful payment made by the Letter of Credit Issuer under any such Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer (as determined in a final and non-appealable judgment by a court of competent jurisdiction). Each L/C Participant shall make available to the Administrative Agent for the account of the Letter of Credit Issuer such L/C Participant's Commitment Percentage of the amount of such payment no later than 1:00 p.m. (New York City time) on the first Business Day after the date notified by the Letter of Credit Issuer in immediately available funds. If and to the extent such L/C Participant shall not have so made its Commitment Percentage of the amount of such payment available to the Administrative Agent for the account of the Letter of Credit Issuer, such L/C Participant agrees to pay to the Administrative Agent for the account of the Letter of Credit Issuer, forthwith on demand, such amount, together with interest thereon for each day from such date until the date such amount is paid to the Administrative Agent for the account of the Letter of Credit Issuer at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Letter of Credit Issuer in connection with the foregoing. The failure of any L/C Participant to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Commitment Percentage of any payment under any Letter of Credit shall not relieve any other L/C Participant of its obligation hereunder to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Commitment Percentage of any payment under such Letter of Credit on the date required, as specified above, but no L/C Participant shall be responsible for the failure of any other L/C Participant to make available to the Administrative Agent such other L/C Participant's Commitment Percentage of any such payment.

(d) Whenever the Letter of Credit Issuer receives a payment in respect of an unpaid reimbursement obligation as to which the Administrative Agent has received for the account of the Letter of Credit Issuer any payments from the L/C Participants pursuant to clause (c) above, the Letter of Credit Issuer shall pay to the Administrative Agent and the Administrative Agent shall promptly pay to each L/C Participant that has paid its Commitment Percentage of such reimbursement obligation, in Dollars and in immediately available funds, an amount equal to such L/C Participant's share (based upon the proportionate aggregate amount originally funded by such L/C Participant to the aggregate amount funded by all L/C Participants) of the principal amount so paid in respect of such reimbursement obligation and interest thereon accruing after the purchase of the respective L/C Participations at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) The obligations of the L/C Participants to make payments to the Administrative Agent for the account of a Letter of Credit Issuer with respect to Letters of Credit shall be irrevocable and not subject to counterclaim, set-off or other defense or any other qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including under any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Administrative Agent, the Letter of Credit Issuer, any Lender or other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the Borrower and the beneficiary named in any such Letter of Credit);

(iii) any draft, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Credit Documents; or

(v) the occurrence of any Default or Event of Default;

provided, however, that the foregoing shall not be construed to excuse the Letter of Credit Issuer for any liability to the Borrower arising from any wrongful payment made by the Letter of Credit Issuer under a Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer (as determined in a final and non-appealable judgment by a court of competent jurisdiction).

3.4 Agreement to Repay Letter of Credit Drawings.

(a) The Borrower hereby agrees to reimburse the Letter of Credit Issuer by making payment in Dollars to the Administrative Agent for the account of the Letter of Credit Issuer in immediately available funds, for any payment or disbursement made by the Letter of Credit Issuer under any Letter of Credit issued by it (each such amount so paid until reimbursed, an "Unpaid Drawing") (i) within one Business Day of the date of such payment or disbursement if the Letter of Credit Issuer provides notice to the Borrower of such payment or disbursement prior to 11:00 a.m. (New York City time) on such next succeeding Business Day (from the date of such payment or disbursement) or (ii) if such notice is received after such time, on the next Business Day following the date of receipt of such notice (such required date for reimbursement under clause (i) or (ii), as applicable, on such Business Day (the "Reimbursement Date")), with interest on the amount so paid or disbursed by such Letter of Credit Issuer, from and including the date of such payment or disbursement to but excluding the Reimbursement Date, at the per annum rate for each day equal to the rate described in Section 2.8(a); provided that, notwithstanding anything contained in this Agreement to the contrary, with respect to any Letter of Credit, (i) unless the Borrower shall have notified the Administrative Agent and the Letter of Credit Issuer prior to 11:00 a.m. (New York City time) on the Reimbursement Date that the Borrower intends to reimburse the Letter of Credit Issuer for the amount of such drawing with funds other than the proceeds of Loans, the Borrower shall be deemed to have given a Notice of Borrowing requesting that the Lenders make Loans (which shall be ABR Loans) on the Reimbursement Date in an amount equal to the amount at such drawing, and (ii) the Administrative Agent shall promptly notify each

Letter of Credit Participant of such drawing and the amount of its Loan to be made in respect thereof, and each Letter of Credit Participant shall be irrevocably obligated to make a Loan to the Borrower in the manner deemed to have been requested in the amount of its Commitment Percentage of the applicable Unpaid Drawing by 12:00 noon (New York City time) on such Reimbursement Date by making the amount of such Loan available to the Administrative Agent. Such Loans made in respect of such Unpaid Drawing on such Reimbursement Date shall be made without regard to the limits of Section 2.2 and without regard to the satisfaction of the conditions set forth in Article VIII. The Administrative Agent shall use the proceeds of such Loans solely for purpose of reimbursing the Letter of Credit Issuer for the related Unpaid Drawing. In the event that the Borrower fails to Cash Collateralize any Letter of Credit that is outstanding on the Maturity Date, the full amount of the Letters of Credit Outstanding in respect of such Letter of Credit shall be deemed to be an Unpaid Drawing subject to the provisions of this Section 3.4 except that the Letter of Credit Issuer shall hold the proceeds received from the Lenders as contemplated above as Cash Collateral for such Letter of Credit to reimburse any Drawing under such Letter of Credit and shall use such proceeds first, to reimburse itself for any Drawings made in respect of such Letter of Credit following the L/C Maturity Date, second, to the extent such Letter of Credit expires or is returned undrawn while any such Cash Collateral remains, to the repayment of obligations in respect of any Loans that have not paid at such time and third, to the Borrower or as otherwise directed by a court of competent jurisdiction. Nothing in this Section 3.4(a) shall affect the Borrower's obligation to repay all outstanding Loans when due in accordance with the terms of this Agreement.

(b) The obligations of the Borrower under this Section 3.4 to reimburse the Letter of Credit Issuer with respect to Unpaid Drawings (including, in each case, interest thereon) shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment that the Borrower or any other Person may have or have had against the Letter of Credit Issuer, the Administrative Agent or any Lender (including in its capacity as an L/C Participant), including any defense based upon the failure of any drawing under a Letter of Credit (each a "Drawing") to conform to the terms of the Letter of Credit or any non-application or misapplication by the beneficiary of the proceeds of such Drawing; provided that the foregoing shall not be construed to excuse the Letter of Credit Issuer for any liability to the Borrower for wrongful payment made by the Letter of Credit Issuer under the Letter of Credit issued by it as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer (as determined in a final and non-appealable judgment by a court of competent jurisdiction).

3.5 Increased Costs. If, after the Closing Date, the adoption of any Change in Law shall either (a) impose, modify or make applicable any reserve, deposit, capital adequacy, liquidity or similar requirement against letters of credit issued by the Letter of Credit Issuer, or any L/C Participant's L/C Participation therein, or (b) impose on the Letter of Credit Issuer or any L/C Participant any other conditions, costs or expenses affecting its obligations under this Agreement in respect of Letters of Credit or L/C Participations therein or any Letter of Credit or such L/C Participant's L/C Participation therein, and the result of any of the foregoing is to increase the cost to the Letter of Credit Issuer or such L/C Participant of issuing, maintaining or participating in any Letter of Credit, or to reduce the amount of any sum received or receivable by the Letter of Credit Issuer or such L/C Participant hereunder (other than (i) Taxes indemnifiable under Section 5.4, or (ii) Excluded Taxes) in respect of Letters of Credit or L/C Participations therein, then, promptly (and in any event no later than 15 days) after receipt of written demand to the Borrower by the Letter of Credit Issuer or such L/C Participant, as the case may be (a copy of which notice shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent), the Borrower shall pay to the Letter of Credit Issuer or such L/C Participant such additional amount or amounts as will compensate the Letter of Credit Issuer or such L/C Participant for such increased cost or reduction, it being understood and agreed, however, that the Letter of Credit Issuer or an L/C Participant shall not be entitled to such compensation as a result of such Person's compliance with, or pursuant to any request or directive to comply with, any such Requirement

of Law as in effect on the Closing Date (except as otherwise set forth in the definition of Change in Law). A certificate submitted to the Borrower by the relevant Letter of Credit Issuer or an L/C Participant, as the case may be (a copy of which certificate shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent), setting forth in reasonable detail the basis for the determination of such additional amount or amounts necessary to compensate the Letter of Credit Issuer or such L/C Participant as aforesaid shall be conclusive and binding on the Borrower absent clearly demonstrable error.

3.6 New or Successor Letter of Credit Issuer.

(a) The Letter of Credit Issuer may resign as a Letter of Credit Issuer upon 30 days' prior written notice to the Administrative Agent, the Lenders and the Borrower. The Borrower may replace the Letter of Credit Issuer for any reason upon written notice to the Letter of Credit Issuer and the Administrative Agent and may add Letter of Credit Issuers at any time upon notice to the Administrative Agent. If the Letter of Credit Issuer shall resign or be replaced, or if the Borrower shall decide to add a new Letter of Credit Issuer under this Agreement, then the Borrower may appoint from among the Lenders a successor issuer of Letters of Credit or a new Letter of Credit Issuer, as the case may be, or, with the consent of the Administrative Agent (such consent not to be unreasonably withheld) and such new Letter of Credit Issuer, another successor or new issuer of Letters of Credit, whereupon such successor issuer shall succeed to the rights, powers and duties of the replaced or resigning Letter of Credit Issuer under this Agreement and the other Credit Documents, or such new issuer of Letters of Credit shall be granted the rights, powers and duties of a Letter of Credit Issuer hereunder, and the term "Letter of Credit Issuer" shall mean such successor or such new issuer of Letters of Credit effective upon such appointment. The acceptance of any appointment as a Letter of Credit Issuer hereunder whether as a successor issuer or new issuer of Letters of Credit in accordance with this Agreement, shall be evidenced by an agreement entered into by such new or successor issuer of Letters of Credit, in a form reasonably satisfactory to the Borrower and the Administrative Agent and, from and after the effective date of such agreement, such new or successor issuer of Letters of Credit shall become a "Letter of Credit Issuer" hereunder. After the resignation or replacement of a Letter of Credit Issuer hereunder, the resigning or replaced Letter of Credit Issuer shall remain a party hereto and shall continue to have all the rights and obligations of a Letter of Credit Issuer under this Agreement and the other Credit Documents with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. In connection with any resignation or replacement pursuant to this clause (a) (but, in case of any such resignation, only to the extent that a successor issuer of Letters of Credit shall have been appointed), either (i) the Borrower, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall arrange to have any outstanding Letters of Credit issued by the resigning or replaced Letter of Credit Issuer replaced with Letters of Credit issued by the successor issuer of Letters of Credit or (ii) the Borrower shall cause the successor issuer of Letters of Credit, if such successor issuer is reasonably satisfactory to the replaced or resigning Letter of Credit Issuer, to issue "back-stop" Letters of Credit naming the resigning or replaced Letter of Credit Issuer as beneficiary for each outstanding Letter of Credit issued by the resigning or replaced Letter of Credit Issuer, which new Letters of Credit shall have a Stated Amount equal to the Letters of Credit being back-stopped and the sole requirement for drawing on such new Letters of Credit shall be a drawing on the corresponding back-stopped Letters of Credit. After any resigning or replaced Letter of Credit Issuer's resignation or replacement as Letter of Credit Issuer, the provisions of this Agreement relating to a Letter of Credit Issuer shall inure to its benefit as to any actions taken or omitted to be taken by it (A) while it was a Letter of Credit Issuer under this Agreement or (B) at any time with respect to Letters of Credit issued by such Letter of Credit Issuer.

(b) To the extent that there are, at the time of any resignation or replacement as set forth in clause (a) above, any outstanding Letters of Credit, nothing herein shall be deemed to impact or impair any rights and obligations of any of the parties hereto with respect to such outstanding Letters of Credit

(including any obligations related to the payment of fees or the reimbursement or funding of amounts drawn), except that the Borrower, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall have the obligations regarding outstanding Letters of Credit described in clause (a) above.

3.7 Role of Letter of Credit Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the Letter of Credit Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective affiliates nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable to any Lender for (a) any action taken or omitted in connection herewith at the request or with the approval of the Majority Lenders, (b) any action taken or omitted in the absence of gross negligence or willful misconduct or (c) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective affiliates nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable or responsible for any of the matters described in Section 3.3(e); provided that anything in such Section to the contrary notwithstanding, the Borrower may have a claim against the Letter of Credit Issuer, and the Letter of Credit Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to special, indirect, consequential, exemplary or punitive, damages suffered by the Borrower which the Borrower proves were caused by the Letter of Credit Issuer's willful misconduct or gross negligence (as determined in a final and non-appealable judgment by a court of competent jurisdiction) or the Letter of Credit Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the Letter of Credit Issuer may accept documents that are in substantial compliance with the terms and conditions of the subject Letter of Credit and documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Letter of Credit Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

3.8 Cash Collateral.

(a) Upon the request of the Majority Lenders if, as of the L/C Maturity Date or, if earlier, the Termination Date, there are any Letters of Credit Outstanding, the Borrower shall immediately Cash Collateralize the Letters of Credit then outstanding.

(b) If any Event of Default shall occur and be continuing, the Majority Lenders may require that the L/C Obligations be Cash Collateralized.

(c) For purposes of this Agreement, "Cash Collateralize" shall mean to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Letter of Credit Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances in an amount equal to the amount of the Letters of Credit Outstanding required to be Cash Collateralized pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and the Letter of Credit Issuer (which documents are hereby consented to by the Lenders). Derivatives of such term have corresponding meanings. The Borrower hereby grants to the Administrative Agent, for the benefit of the Letter of Credit

Issuer and the L/C Participants, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Such Cash Collateral shall be maintained in blocked, interest bearing deposit accounts established by and in the name of the Borrower, but under the "control" (as defined in Section 9-104 of the Uniform Commercial Code) of the Administrative Agent.

3.9 Applicability of ISP and UCP. Unless otherwise expressly agreed by the Letter of Credit Issuer and the Borrower when a Letter of Credit is issued, (a) the rules of the ISP shall apply to each standby Letter of Credit and (b) the rules of the UCP, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each commercial Letter of Credit and, on an exception basis to a standby Letter of Credit, as may be required by local law or statute.

3.10 Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

3.11 Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the Letter of Credit Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

ARTICLE IV
FEES; COMMITMENTS

4.1 Fees.

(a) The Borrower agrees to pay to the Administrative Agent in Dollars, for the account of each Lender (in each case *pro rata* according to the respective Commitment Percentages of the Lenders), a commitment fee (the "Commitment Fee") for each day from the Closing Date until but excluding the Termination Date. Each Commitment Fee shall be payable by the Borrower (i) quarterly in arrears on the last Business Day of each March, June, September and December (for the three-month period (or portion thereof) ended on such day for which no payment has been received) and (ii) on the Termination Date (for the period ended on such date for which no payment has been received pursuant to clause (i) above), and shall be computed for each day during such period at a rate per annum equal to the Commitment Fee Rate in effect on such day on the Available Commitment in effect on such day.

(b) The Borrower agrees to pay to the Administrative Agent in Dollars for the account of the Lenders *pro rata* on the basis of their respective Letter of Credit Exposure, a fee in respect of each Letter of Credit (the "Letter of Credit Fee"), for the period from the date of issuance of such Letter of Credit until the termination or expiration date of such Letter of Credit computed at the per annum rate for each day equal to the Applicable Margin for LIBOR Loans under the New Money Facility on the average daily Stated Amount of such Letter of Credit. Such Letter of Credit Fees shall be due and payable (i) quarterly in arrears on the last Business Day of each March, June, September and December and (ii) on the Termination Date (for the period for which no payment has been received pursuant to clause (i) above).

(c) The Borrower agrees to pay to each Letter of Credit Issuer a fee in respect of each Letter of Credit issued by it (the "Fronting Fee"), for the period from the date of issuance of such Letter of Credit to the termination or expiration date of such Letter of Credit, computed at the rate for each day equal to 0.125 % per annum (or such other amount a may be agreed in a separate writing between the Borrower and any Letter of Credit Issuer) on the average daily Stated Amount of such Letter of Credit (or at such other rate per annum as agreed in writing between the Borrower and the Letter of Credit Issuer). Such Fronting

Fees shall be due and payable by the Borrower (i) quarterly in arrears on the last Business Day of each March, June, September and December and (ii) on the Termination Date (for the period for which no payment has been received pursuant to clause (i) above).

(d) The Borrower agrees to pay directly to the Letter of Credit Issuer upon each issuance of, drawing under, and/or amendment of, a Letter of Credit issued by it such amount as the Letter of Credit Issuer and the Borrower shall have agreed upon for issuances of, drawings under or amendments of, letters of credit issued by it.

(e) The Borrower agrees to pay to the Administrative Agent (i) the administrative agent fees and (ii) for the benefit of the Lenders, any upfront fees, in each case, in the amounts and on the dates as set forth in writing from time to time between the Administrative Agent and the Borrower.

4.2 Voluntary Reduction of Commitments.

(a) Upon at least two Business Days' prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent at the Administrative Agent's Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right, without premium or penalty, on any day, to permanently terminate or reduce the Commitments, as determined by the Borrower, in whole or in part; provided that (i) any such termination or reduction shall apply ratably to reduce each Lender's Commitment, (ii) any partial reduction pursuant to this Section 4.2 shall be in the amount of at least $500,000 and in an integral multiple of $100,000 in excess thereof and (iii) after giving effect to such termination or reduction and to any prepayments of Loans or cancellation or Cash Collateralization of Letters of Credit made on the date thereof in accordance with this Agreement, the Total Credit Exposure shall not exceed the Loan Limit.

(b) The Borrower may terminate the unused amount of the Commitment of a Defaulting Lender upon not less than two (2) Business Days' prior notice to the Administrative Agent (which will promptly notify the Lenders thereof), and in such event the provisions of Section 2.15(f) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts), provided that such termination will not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, any Letter of Credit Issuer or any Lender may have against such Defaulting Lender.

4.3 Mandatory Termination or Reduction of Commitments.

(a) The Total Commitment shall terminate at 5:00 p.m. (New York City time) on the Termination Date.

(b) The Total Commitment shall be permanently reduced in connection with any repayment or prepayment of Rollup Loans and any prepayment of Loans pursuant to Sections 5.2(e) and 5.2(g).

ARTICLE V
PAYMENTS

5.1 Voluntary Prepayments. The Borrower shall have the right to prepay Loans, without premium or penalty, in whole or in part from time to time on the following terms and conditions:

(a) the Borrower shall give the Administrative Agent at the Administrative Agent's Office written notice (or telephonic notice promptly confirmed in writing) of its intent to make such

prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) being prepaid, which notice shall be given by the Borrower no later than 1:00 p.m. (New York City time) (i) in the case of LIBOR Loans, three Business Days prior to and (ii) in the case of ABR Loans on the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders;

(b) each partial prepayment of (i) LIBOR Loans shall be in a minimum amount of $500,000 and in multiples of $100,000 in excess thereof, and (ii) any ABR Loans shall be in a minimum amount of $500,000 and in multiples of $100,000 in excess thereof; provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than $1,000,000 for such LIBOR Loans; and

(c) any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto shall be subject to compliance by the Borrower with the applicable provisions of Section 2.11.

Each such notice shall specify the date and amount of such prepayment and the Type of Loans to be prepaid. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Loans of a Defaulting Lender.

5.2 Mandatory Prepayments.

(a) Repayment following Excess Credit Exposure. If, at any time, including as a result of giving effect to any termination or reduction of the Commitments pursuant to Section 4.2(a), the Total Credit Exposure exceeds the Loan Limit (and if terminated or reduced, as terminated or reduced), then the Borrower shall on the same Business Day (i) prepay the Loans on the date such excess (and in the case of a termination or reduction, such termination or reduction) has occurred in an aggregate principal amount equal to such excess and (ii) if any excess remains after prepaying all of the Loans as a result of any Letter of Credit Exposure, pay to the Administrative Agent on behalf of the Letter of Credit Issuer and the L/C Participants an amount in cash equal to such excess to be held as Cash Collateral as provided in Section 3.8.

(b) [Reserved].

(c) [Reserved].

(d) Application of Excess Cash. If, as of the end of any Business Day, the Consolidated Cash Balance exceeds $150,000,000, the Borrower shall on or before 9:00 a.m. Los Angeles time, on the next Business Day prepay any then-outstanding Loans, in an aggregate principal amount equal to the lesser of (i) such excess and (ii) the sum of the then-outstanding Loans; provided that for the purposes of this Section 5.2(d), Consolidated Cash Balance shall not be deemed to include any Net Cash Proceeds that will be repaid pursuant to Sections 5.2(e) through (h) hereof.

(e) Repayment of Loans Following any Dispositions or Swaps Unwinds. If the Borrower or any one of the other Credit Parties consummates (i) a Disposition of any of its Oil and Gas Properties or any other property (including, for the avoidance of doubt, transfers of property subject to a Casualty Event but excluding any Disposition (x) permitted under Sections 11.4(a) or 11.4(e) (other than with respect to Oil and Gas Properties), (y) by a Credit Party to another Credit Party (to the extent such Disposition is otherwise permitted hereunder) or (z) of Identified Assets (which shall be subject to Section 5.2(f))) or (ii) the unwinding, terminating and/or offsetting of any Hedge Agreement, the Borrower shall, on the Business Day after receiving such proceeds, (A) repay the Loans in an aggregate principal amount equal to the lesser of (1) 100% of the Net Cash Proceeds obtained from such Disposition and (2) the sum of the

then-outstanding Loans and (B) if any excess remains after prepaying all of the Loans as a result of any Letter of Credit Exposure, pay to the Administrative Agent on behalf of the Letter of Credit Issuer and the L/C Participants an amount in cash equal to such excess to be held as Cash Collateral as provided in Section 3.8; provided, that contemporaneously with any repayment of Loans made pursuant to Section 5.2(e), the Total Commitment shall be reduced by the amount of such repayment.

(f) Repayment of Loans Following Disposition of Identified Assets. If the Borrower or any one of the other Credit Parties consummates a Disposition of any of the assets identified on Schedule 5.2(f) (the "Identified Assets"), the Borrower shall, on the Business Day after receiving such proceeds, (i) repay the Loans in an aggregate principal amount equal to the lesser of (A) the sum of (1) 50% of the first $20,000,000 of Net Cash Proceeds obtained from all such Dispositions and (2) 100% of the Net Cash Proceeds obtained in excess thereof and (B) the sum of the then-outstanding Loans and (ii) if any excess remains after prepaying all of the Loans as a result of any Letter of Credit Exposure, pay to the Administrative Agent on behalf of the Letter of Credit Issuer and the L/C Participants an amount in cash equal to such excess to be held as Cash Collateral as provided in Section 3.8.

(g) Repayment of Loans Following Incurrence of Indebtedness and Issuance of Stock or Stock Equivalents. If the Borrower or any one of the other Credit Parties (i) incurs any Indebtedness other than Loans and Indebtedness permitted under subsections (c) and (m) of Section 11.1 or (ii) issues any Stock or Stock Equivalents for cash (other than issuances of Stock or Stock Equivalents permitted under Section 11.6), the Borrower shall, on the Business Day after receiving such proceeds, following prior written notice to the Administrative Agent of its intent to repay the Loans and reduce the Commitments as hereinafter set forth, (A) repay the Loans in an aggregate principal amount equal to the lesser of (1) 100% of the Net Cash Proceeds obtained from such incurrence or issuance and (2) the sum of the then-outstanding Loans and (B) if any excess remains after prepaying all of the Loans as a result of any Letter of Credit Exposure, pay to the Administrative Agent on behalf of the Letter of Credit Issuer and the L/C Participants an amount in cash equal to such excess to be held as Cash Collateral as provided in Section 3.8; provided that contemporaneously with any repayment of Loans made pursuant to this Section 5.2(g), the Total Commitment shall be reduced by the amount of such repayment.

(h) Application to Loans. With respect to each prepayment of Loans elected under Section 5.1, the Borrower may designate (i) the Types of Loans that are to be prepaid and the specific Borrowing(s) being repaid and (ii) the Loans to be prepaid.

provided that (A) each prepayment of any Loans made pursuant to a Borrowing shall be applied *pro rata* among such Loans and (B) notwithstanding the provisions of the preceding clause (A), no prepayment of Loans shall be applied to the Loans of any Defaulting Lender unless otherwise agreed in writing by the Borrower. In the absence of a designation by the Borrower under Section 5.2(h)(i), the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

5.3 Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto or the Letter of Credit Issuer entitled thereto, as the case may be, not later than 2:00 p.m. (New York City time), in each case, on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrower; it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment

to the extent of such funds held in such account. All repayments or prepayments of any Loans (whether of principal, interest or otherwise) hereunder and all other payments under each Credit Document shall be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 2:00 p.m. (New York City time) or, otherwise, on the next Business Day in the sole discretion of the Administrative Agent) like funds relating to the payment of principal or interest or fees ratably to the Lenders or the Letter of Credit Issuer, as applicable, entitled thereto.

(b) For purposes of computing interest or fees, any payments under this Agreement that are made later than 2:00 p.m. (New York City time) shall be deemed to have been made on the next succeeding Business Day in the sole discretion of the Administrative Agent. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments.

(a) Any and all payments made by or on behalf of the Borrower or any Guarantor under this Agreement or any other Credit Document shall be made free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes or Other Taxes; provided that if the Borrower or any Guarantor or the Administrative Agent shall be required by applicable Requirements of Law to deduct or withhold any Taxes from such payments, then (i) the Borrower or such Guarantor or the Administrative Agent shall make such deductions or withholdings as are reasonably determined by the Borrower, such Guarantor or the Administrative Agent to be required by any applicable Requirement of Law, (ii) the Borrower, such Guarantor or the Administrative Agent, as applicable, shall timely pay the full amount deducted or withheld to the relevant Governmental Authority within the time allowed and in accordance with applicable Requirements of Law, and (iii) to the extent withholding or deduction is required to be made on account of Indemnified Taxes or Other Taxes, the sum payable by the Borrower or such Guarantor shall be increased as necessary so that after making all required deductions and withholdings (including deductions or withholdings applicable to additional sums payable under this Section 5.4) the Administrative Agent, any Letter of Credit Issuer or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made. Whenever any Indemnified Taxes or Other Taxes are payable by the Borrower or such Guarantor, as promptly as possible thereafter, the Borrower or Guarantor shall send to the Administrative Agent for its own account or for the account of such Letter of Credit Issuer or Lender, as the case may be, a certified copy of an official receipt (or other evidence acceptable to such Letter of Credit Issuer or Lender, acting reasonably) received by the Borrower or such Guarantor showing payment thereof. After any payment of Taxes by any Credit Party or the Administrative Agent to a Governmental Authority as provided in this Section 5.4, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, a copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(b) The Borrower shall timely pay and shall indemnify and hold harmless the Administrative Agent and each Lender with regard to any Other Taxes (whether or not such Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority).

(c) The Borrower shall indemnify and hold harmless the Administrative Agent and each Lender within 15 Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes imposed on the Administrative Agent or such Lender, as the case may be (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this

Section 5.4), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth in reasonable detail the basis and calculation of the amount of such payment or liability delivered to the Borrower by a Lender or the Administrative Agent (as applicable) on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) Each Lender shall deliver to the Borrower and the Administrative Agent, at such time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law and such other reasonably requested information as will permit the Borrower or the Administrative Agent, as the case may be, to determine (A) whether or not any payments made hereunder or under any other Credit Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to such Lender by any Credit Party pursuant to any Credit Document or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than the documentation set forth in Section 5.4(e), (h) and (i)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(e) Without limiting the generality of the foregoing, each Non-U.S. Lender with respect to any Loan made to the Borrower shall, to the extent it is legally entitled to do so:

(i) deliver to the Borrower and the Administrative Agent, prior to the date on which the first payment to the Non-U.S. Lender is due hereunder, two copies of (A) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", United States Internal Revenue Service Form W-8BEN-E (or any applicable successor form) (together with a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10% shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower, is not a CFC related to the Borrower (within the meaning of Section 864(d)(4) of the Code) and the interest payments in question are not effectively connected with the United States trade or business conducted by such Lender), (B) Internal Revenue Service Form W-8BEN-E or Form W-8ECI (or any applicable successor form), in each case properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement, (C) Internal Revenue Service Form W-8IMY (or any applicable successor form) and all necessary attachments (including the forms described in clauses (A) and (B) above, as required) or (D) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made; and

(ii) deliver to the Borrower and the Administrative Agent two further copies of any such form or certification (or any applicable successor form) on or before the date that any such form or certification expires or becomes obsolete or invalid, after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower and the Administrative Agent, and from time to time thereafter if reasonably requested by the Borrower and the Administrative Agent;

unless in any such case any Change in Law has occurred prior to the date on which any such delivery would otherwise be required that renders any such form inapplicable or would prevent such Non-U.S. Lender from duly completing and delivering any such form with respect to it and such Non-U.S. Lender promptly so advises the Borrower and the Administrative Agent. Each Person that shall become a Participant pursuant to Section 14.6 or a Lender pursuant to Section 14.6 shall, upon the effectiveness of the related transfer, be required to provide all the forms and statements required pursuant to this Section 5.4(e); provided that in the case of a Participant such Participant shall furnish all such required forms and statements to the Lender from which the related participation shall have been purchased.

(f) If any Lender or the Administrative Agent, as applicable, determines, in its sole discretion, that it had received and retained a refund of an Indemnified Tax or Other Tax for which a payment has been made by the Borrower or any Guarantor pursuant to this Agreement or any other Credit Document, which refund in the good faith judgment of such Lender or the Administrative Agent, as the case may be, is attributable to such payment made by the Borrower or any Guarantor, then such Lender or the Administrative Agent, as the case may be, shall reimburse the Borrower or such Guarantor for such amount (net of all out-of-pocket expenses of such Lender or the Administrative Agent, as the case may be, and without interest other than any interest received thereon from the relevant Governmental Authority with respect to such refund) as such Lender or the Administrative Agent, as the case may be, determines in its sole discretion to be the proportion of the refund as will leave it, after such reimbursement, in no better or worse position (taking into account expenses or any taxes imposed on the refund) than it would have been in if the payment had not been required; provided that the Borrower or such Guarantor, upon the request of such Lender or the Administrative Agent, agrees to repay the amount paid over to the Borrower or such Guarantor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Lender or the Administrative Agent in the event such Lender or the Administrative Agent is required to repay such refund to such Governmental Authority. In such event, such Lender or the Administrative Agent, as the case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant Governmental Authority (provided that such Lender or the Administrative Agent may delete any information therein that it deems confidential). Each Lender and the Administrative Agent shall claim any refund that it determines is available to it, unless it concludes in its sole discretion that it would be adversely affected by making such a claim. No Lender nor the Administrative Agent shall be obliged to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Credit Party in connection with this clause (f) or any other provision of this Section 5.4.

(g) If the Borrower determines that a reasonable basis exists for contesting a Tax, each Lender or the Administrative Agent, as the case may be, shall use reasonable efforts to cooperate with the Borrower as the Borrower may reasonably request in challenging such Tax. The Borrower shall indemnify and hold each Lender and the Administrative Agent harmless against any out-of-pocket expenses incurred by such Person in connection with any request made by the Borrower pursuant to this Section 5.4(g). Nothing in this Section 5.4(g) shall obligate any Lender or the Administrative Agent to take any action that such Person, in its sole judgment, determines may result in a material detriment to such Person.

(h) The Administrative Agent and each Lender that is a United States person under Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent two Internal Revenue Service Forms W-9 (or substitute or successor form), properly completed and duly executed, certifying that such Person is exempt from United States federal backup withholding (i) on or prior to the Closing Date (or on or prior to the date it becomes a party to this Agreement), (ii) after the occurrence of a change in Person's circumstances requiring a change in the most recent form previously delivered by it to the Borrower and the Administrative Agent, and (iii) from time to time thereafter if reasonably requested by the Borrower or the Administrative Agent.

(i) If a payment made to any Lender or the Administrative Agent under this Agreement or any other Credit Document would be subject to U.S. federal withholding tax imposed by FATCA if such Person were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Person shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine that such Person has or has not complied with such Person's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 5.4(i), "FATCA" shall include any amendments made to FATCA after the date of this Agreement. For purposes of determining withholding Taxes imposed under FATCA, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(j) For the avoidance of doubt, for purposes of this Section 5.4, the term "Lender" includes any Letter of Credit Issuer.

(k) The agreements in this Section 5.4 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

5.5 Computations of Interest and Fees.

(a) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the ABR at times when the ABR is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable ABR, Adjusted LIBOR Rate or LIBOR Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(b) Fees and the average daily Stated Amount of Letters of Credit shall be calculated on the basis of a 360-day year for the actual days elapsed.

5.6 Limit on Rate of Interest.

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obligated to pay any interest or other amounts under or in connection with this Agreement in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules and regulations.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower or any other Credit Party to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any applicable Requirement of Law, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate

of interest, as the case may be, as would not be so prohibited by applicable Requirements of Law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8.

(d) Rebate of Excess Interest. Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable Requirement of Law, then the Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

ARTICLE VI
[RESERVED]

ARTICLE VII
CONDITIONS PRECEDENT TO CLOSING DATE

The effectiveness of this Agreement and the obligation of each Lender to advance the initial Loans hereunder and of the Letter of Credit Issuer to issue its initial Letter of Credit hereunder, is subject to satisfaction (or waiver in accordance with Section 14.1) of the following conditions precedent:

7.1 Credit Documents. Each of the Credit Documents and other documentation relating to the Facility shall be in form and substance reasonably satisfactory to the Borrower, the Administrative Agent and the Lenders, and the Administrative Agent shall have received duly executed and delivered counterparts (in such numbers as may be requested by the Administrative Agent) of this Agreement and the other Credit Documents to be executed and delivered on or prior to such date, from each party hereto or thereto, as applicable (which shall include, with respect to the Guarantee, each of the Subsidiaries in existence on the Closing Date other than the Non-Debtor Subsidiaries), signed on behalf of such party (which, subject to Section 14.9(b), may include any Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page).

7.2 Secretary's Certificate. The Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent, a certificate of the Secretary or an Assistant Secretary of each Credit Party containing specimen signatures of the Persons authorized to execute Credit Documents to which each Credit Party is a party or any other documents provided for herein or therein, together with (i) a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent, of the board of directors or managers of each Credit Party (or a duly authorized committee thereof) authorizing (A) the execution, delivery and performance of the Credit Documents (and any agreements relating thereto) to which it is a party and (B) in the case of the Borrower, the extensions of credit contemplated hereunder and (ii) true and complete copies of each of the organizational documents of each Person that is a Credit Party as of the Closing Date.

7.3 Good Standing Certificates. The Administrative Agent shall have received a certificate of good standing (or equivalent) from the appropriate governing agency of each Credit Party's jurisdiction of organization.

7.4 Legal Opinions. The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Closing Date) of (i) Sullivan & Cromwell LLP, special counsel for the Credit Parties and (ii) such local counsel as may be reasonably

requested by the Administrative Agent, in each case, in form and substance reasonably satisfactory to the Administrative Agent, and covering such customary matters relating to the Credit Parties and this Agreement.

7.5 Fees. The Administrative Agent, the Lenders and the Lead Arranger shall have received all fees due and payable on or prior to the Closing Date, and, to the extent invoiced at least two (2) Business Days prior to the Closing Date, reimbursement or payment of all out of pocket expenses required to be reimbursed or paid by the Credit Parties hereunder, including all reasonable and documented fees, expenses and disbursements of the Senior DIP Advisors.

7.6 KYC; PATRIOT Act; Beneficial Ownership. The Administrative Agent shall have received, at least five (5) days prior to the Closing Date, all documentation and other information regarding the Credit Parties requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation.

7.7 Historical Financial Statements. The Lead Arranger shall have received true, correct and complete copies of the Historical Financial Statements.

7.8 Initial Budget. The Administrative Agent and the Lenders shall have received the initial Budget for the 13-week period following the Petition Date, which shall be in a form satisfactory to the Administrative Agent in its reasonable discretion and in substance acceptable to the Administrative Agent and the Majority Lenders, together with a Budget Certificate.

7.9 Chapter 11 Cases. (a) The Chapter 11 Cases shall have been commenced and (b) the motion to approve the Interim Order and the Final Order, and all "first day orders" entered at the time of commencement of the Chapter 11 Cases shall be reasonably satisfactory in form and substance to the Administrative Agent.

7.10 Interim Order. The Administrative Agent and the Lenders shall have received a signed copy of the Interim Order which shall have been entered by the Bankruptcy Court on or before the eighth (8^{th}) day after the Petition Date, and such Interim Order shall not have been vacated, reversed, modified amended or stayed.

7.11 Business Plan; Case Budget. The Administrative Agent and the Lenders shall have received, and the Administrative Agent and the Majority Lenders shall be reasonably satisfied with (a) the business plan of Borrower for the period through the 2024 fiscal year of the Borrower and (b) a budget covering the period from July 2020 through January 2021.

7.12 No Conflicts. The Administrative Agent shall be satisfied in its reasonable judgment that, except as authorized by the Interim Order, there shall not occur as a result of, and after giving effect to, the initial extension of credit under the Facility, a default (or any event which with the giving of notice or lapse of time or both would be a default) under any of the Borrower's, the Guarantors' or their respective subsidiaries' debt instruments and other material agreements which, (i) in the case of the Borrower's or any Guarantor's debt instruments and other material agreements, would permit the counterparty thereto to exercise remedies thereunder on a post-petition basis or (ii) in the case of any other Subsidiary, would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

7.13 No MAE. The Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower in form and substance reasonably satisfactory to the Administrative Agent certifying that since February 26, 2020, no event has occurred (other than (a) the commencement of the Chapter 11 Cases or the consequences that would normally result from the commencement and continuation of a chapter 11 case, (b) any actions taken by the Credit Parties and disclosed to the Administrative Agent and Majority

Lenders in respect of or relating to Elk Hills Power, LLC, the assets, business or capital structure thereof or any investment in Elk Hills Power, LLC by ECR Corporate Holdings L.P. prior to the Closing Date and (c) with respect to clause (a) of the definition of "Material Adverse Effect", any circumstances or conditions disclosed to the Administrative Agent and the Lenders prior to the Closing Date resulting from or arising out of the COVID-19 pandemic, the absolute levels of commodity prices or commodity price volatility, in each case occurring prior to the Closing Date) that would reasonably be expected to result in a Material Adverse Effect.

7.14 No Litigation. The Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower in form and substance reasonably satisfactory to the Administrative Agent certifying that there does not exist any action, suit, investigation, litigation or proceeding pending or (to the knowledge of the Credit Parties) threatened against any Credit Party in any court or before any arbitrator or Governmental Authority (other than the Chapter 11 Cases and any action, suit, investigation or proceeding arising from the commencement and continuation of the Chapter 11 Cases or the consequences that would normally result from the commencement and continuation of a chapter 11 case) that is not stayed and would reasonably be expected to result in a Material Adverse Effect.

7.15 Approvals and Consents. The Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower in form and substance reasonably satisfactory to the Administrative Agent certifying that all necessary governmental and third party consents and approvals necessary in connection with the Facility and the transactions contemplated hereunder have been obtained (without the imposition of any materially adverse conditions that are not reasonably acceptable to the Administrative Agent) and remain in effect; and no material applicable law or regulation shall prevent the Credit Parties' performance of their obligations under the Facility or the transactions contemplated hereby.

7.16 Perfected Security Interest. The Administrative Agent for the benefit of the Secured Parties shall have a valid and perfected security interest in substantially all of the assets of the Credit Parties pursuant to the Interim Order.

7.17 Reserve Report. The Administrative Agent shall have received, and be reasonably satisfied with, the most recent reserve report required to be delivered under the Prepetition Credit Agreement.

7.18 [Reserved].

7.19 [Reserved].

7.20 Junior DIP Facility. (a) The Borrower shall have entered into the Junior DIP Credit Agreement with the Junior DIP Lenders and (b) each of the loan documents and other documentation relating to the Junior DIP Facility, including the Junior DIP Credit Agreement, shall be in form and substance reasonably satisfactory to the Administrative Agent and the Majority Lenders.

7.21 Payment in Full of Prepetition Obligations. (a) The Prepetition Obligations (other than the Prepetition Letters of Credit and Cash Management Obligations under Secured Cash Management Agreements or contingent indemnification obligations not then due and payable) shall have been, or substantially contemporaneously shall be, paid in full in cash with the proceeds of the Junior DIP Facility and the Rollup Loans and (b) the Prepetition Letters of Credit shall have been deemed issued hereunder.

The Administrative Agent (or at the Administrative Agent's direction, its counsel) shall notify the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Letter of Credit Issuer to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions

is satisfied (or waived pursuant to Section 14.1) at or prior to 5:00 p.m., New York City time, on the earlier of (a) the date that is eight (8) days after the Petition Date and (b) July 23, 2020 (and, in the event such conditions are not so satisfied or waived prior to such time, the Commitments shall terminate at such time).

ARTICLE VIII
CONDITIONS PRECEDENT TO ALL CREDIT EVENTS

The agreement of each Lender to make any Loan requested to be made by it on any date (excluding Loans required to be made by the Lenders in respect of Unpaid Drawings pursuant to Sections 3.3 and 3.4), and the obligation of the Letter of Credit Issuer to issue Letters of Credit on any date, is subject to the satisfaction of the following conditions precedent:

8.1 No Default; Representations and Warranties. At the time of each Credit Event and also after giving pro forma effect thereto (including the application of the proceeds thereof) (a) no Default or Event of Default shall have occurred and be continuing, (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be, to the knowledge of an Authorized Officer of the Borrower and its Subsidiaries, true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) as of such earlier date) and (c) the Consolidated Cash Balance does not exceed $150,000,000.

8.2 Notice of Borrowing.

(a) Prior to the making of each Loan (other than any Loan made pursuant to Section 3.4(a)), the Administrative Agent shall have received a Notice of Borrowing (whether in writing or by telephone) meeting the requirements of Section 2.3(a).

(b) Prior to the issuance of each Letter of Credit, the Administrative Agent and the Letter of Credit Issuer shall have received a Letter of Credit Request meeting the requirements of Section 3.2(a).

8.3 No Violation. The making of such Loan (or the issuance, renewal or extension of any Letter of Credit) shall not violate any Requirement of Law and shall not be enjoined, temporarily, preliminarily or permanently.

8.4 Financial Covenant Compliance. At the time of each Credit Event and also after giving pro forma effect thereto, the Borrower shall be in pro forma compliance with the Financial Performance Covenants.

8.5 DIP Order. (a) During the Interim Period, the Interim Order shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect without the consent of the Administrative Agent and the Majority Lenders or (b) for any Credit Event occurring on or after the Final Order Entry Deadline, the Final Order, shall have been entered by the Bankruptcy Court and shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect without the consent of the Administrative Agent and the Majority Lenders.

8.6 Borrowing Limit. Prior to the making of each Loan and also after giving pro forma effect thereto, the amount of New Money Loans outstanding (excluding any Loans made pursuant to Section 3.4(a)) shall not exceed the lesser of (a) the New Money Commitment and (b) the Loan Limit.

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to each of the Lenders that all the applicable conditions specified in Article VIII above have been satisfied as of that time.

ARTICLE IX
REPRESENTATIONS, WARRANTIES AND AGREEMENTS

In order to induce the Lenders to enter into this Agreement, to make the Loans and issue or participate in Letters of Credit as provided for herein, the Borrower makes, on the Closing Date and on each other date as required or otherwise set forth in this Agreement, the following representations and warranties to, and agreements with, the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of the Letters of Credit:

9.1 Corporate Status. Subject to any restrictions arising on account of their status as "debtors" under the Bankruptcy Code and entry of the DIP Order, each of the Borrower and each Subsidiary (a) is a duly organized and validly existing corporation or other entity in good standing under the laws of the jurisdiction of its organization, (b) has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged, (c) has duly qualified and is authorized to do business and is in good standing in all jurisdictions where it is required to be so qualified, and (d) is in compliance with all Requirements of Law.

9.2 Corporate Power and Authority; Enforceability. Subject to any restrictions arising on account of their status as "debtors" under the Bankruptcy Code and entry of the DIP Order, each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document, upon entry of the Interim Order or the Final Order, as applicable, constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, subject to any restrictions arising on account of any Credit Party's status as a "debtor" under the Bankruptcy Code and further subject to other applicable bankruptcy, insolvency, fraudulent conveyance, reorganization and similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

9.3 No Violation. Subject to entry of the DIP Order, none of the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party or the compliance with the terms and provisions thereof will (a) contravene any material applicable provision of any material Requirement of Law, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party or any of the Subsidiaries (other than Liens created under the Security Documents and Liens permitted by Section 11.2(dd) with respect to the Junior DIP Facility) pursuant to the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other instrument to which such Credit Party or any of the Subsidiaries is a party or by which it or any of its property or assets is bound (any such term, covenant, condition or provision, a "Contractual Requirement") or (c) violate any provision of the certificate of incorporation, by-laws or other organizational documents of such Credit Party or any of the Subsidiaries.

9.4 Litigation. Except as set forth on Schedule 9.4, as of the Closing Date, and other than the Chapter 11 Cases, (a) there are no actions, suits or proceedings pending or, to the knowledge of an Authorized Officer of the Borrower, threatened in writing with respect to the Borrower or any of its Subsidiaries and (b) the Borrower has not received any written notice of Environmental Claims from a Governmental Authority, that, in each case, would reasonably be expected to result in a Material Adverse Effect.

9.5 Margin Regulations. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, Regulation U or Regulation X of the Board. The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying margin stock.

9.6 Governmental Approvals. Subject to entry of the DIP Order, the execution, delivery and performance of each Credit Document do not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority other than (a) such as have been obtained or made and are in full force and effect, (b) filings and recordings in respect of the Liens created pursuant to the Security Documents and (c) such consents, approvals, registrations, filings or actions the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

9.7 Investment Company Act. No Credit Party is an "investment company" within the meaning of the Investment Company Act of 1940.

9.8 True and Complete Disclosure.

(a) None of the written factual information and written data (taken as a whole) furnished by or on behalf of the Borrower, any of the Subsidiaries or any of their respective authorized representatives to the Administrative Agent, the Lead Arranger and/or any Lender on or before the Closing Date (including all such information and data contained in the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time (after giving effect to all supplements so furnished prior to such time, including all information set forth in the Form 10-12B of the Borrower as filed with the SEC from time to time) in light of the circumstances under which such information or data was furnished; it being understood and agreed that for purposes of this Section 9.8(a), such factual information and data shall not include *pro forma* financial information, projections or estimates (including financial estimates, forecasts and other forward-looking information) and information of a general economic or general industry nature.

(b) The projections (including financial estimates, forecasts and other forward-looking information) contained in the information and data referred to in Section 9.8(a) were based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made; it being recognized by the Administrative Agent and the Lenders that such projections are as to future events and are not to be viewed as facts, the projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower and the Subsidiaries, that no assurance can be given that any particular projections will be realized and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

9.9 Financial Condition; Financial Statements.

(a) On the Closing Date, the Historical Financial Statements present fairly in all material respects the combined consolidated financial position of the Borrower and the combined consolidated

Subsidiaries at the dates of such information and for the period covered thereby and have been prepared in accordance with GAAP consistently applied except to the extent provided in the notes thereto, if any, subject, in the case of the unaudited financial information, to changes resulting from audit, normal year end audit adjustments and to the absence of footnotes.

(b) On the Closing Date, neither the Borrower nor any Subsidiary has any material Indebtedness (including Disqualified Stock), any material guarantee obligations, contingent liabilities, off balance sheet liabilities, partnership liabilities for taxes or unusual forward or long-term commitments that, in each case, are not reflected or provided for in the Historical Financial Statements, except as would not reasonably be expected to have a Material Adverse Effect.

(c) Since the date of the financial statements most recently delivered pursuant to Section 10.1(a), and, prior to the delivery of such financial statements, since February 26, 2020, to the actual knowledge of any Authorized Officer of the Borrower, there has been no Material Adverse Effect.

9.10 Tax Matters. Except where the failure of which would not be reasonably expected to have a Material Adverse Effect, (a) each of the Borrower and the Subsidiaries has filed all federal income tax returns and all other tax returns, domestic and foreign, required to be filed by it and has paid all material taxes payable by it that have become due, other than those (i) not yet delinquent or (ii) being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided to the extent required by and in accordance with GAAP and (b) to the extent not yet due and payable, the Borrower and each of the Subsidiaries have paid, or have provided adequate reserves (in the good faith judgment of management of the Borrower or such Subsidiary) in accordance with GAAP for the payment of, all federal, state, provincial and foreign tax liabilities for the current fiscal year to the Closing Date.

9.11 Compliance with ERISA.

(a) Each Plan is in compliance with ERISA, the Code and any applicable Requirement of Law; no Reportable Event has occurred (or is reasonably likely to occur) with respect to any Plan; each Plan has satisfied the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, and there has been no determination that any such Plan is, or is expected to be, in "at risk" status (within the meaning of Section 4010(d)(2) of ERISA); none of the Borrower or any ERISA Affiliate has incurred (or is reasonably likely to incur) any liability to or on account of a Plan or a Multiemployer Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code or has been notified in writing that it will incur any liability under any of the foregoing Sections with respect to any Plan or Multiemployer Plan; no proceedings have been instituted to terminate or to reorganize any Plan or to appoint a trustee to administer any Plan, and no written notice of any such proceedings has been given to the Borrower or any ERISA Affiliate; no Multiemployer Plan is insolvent or in reorganization, and no written notice of any such insolvency or reorganization has been given to the Borrower or any ERISA Affiliate; and no lien imposed under the Code or ERISA on the assets of the Borrower or any ERISA Affiliate exists (or is reasonably likely to exist) nor has the Borrower or any ERISA Affiliate been notified in writing that such a lien will be imposed on the assets of the Borrower or any ERISA Affiliate on account of any Plan or a Multiemployer Plan, except to the extent that a breach of any of the representations, warranties or agreements in this Section 9.11(a) would not result, individually or in the aggregate, in an amount of liability that would be reasonably likely to have a Material Adverse Effect. No Plan has an Unfunded Current Liability that would, individually or when taken together with any other liabilities referenced in this Section 9.11(a), be reasonably likely to have a Material Adverse Effect. With respect to Multiemployer Plans, the representations and warranties in this Section 9.11(a), other than any made with respect to liability under Section 4201 or 4204 of ERISA, are made to the knowledge of the Borrower.

(b) All Foreign Plans are in compliance with, and have been established, administered and operated in accordance with, the terms of such Foreign Plans and applicable law, except for any failure to so comply, establish, administer or operate the Foreign Plans as would not reasonably be expected to have a Material Adverse Effect. All contributions or other payments which are due with respect to each Foreign Plan have been made in full and there are no funding deficiencies thereunder, except to the extent any such events would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.12 Subsidiaries. Schedule 9.12 lists each Subsidiary of the Borrower (and the direct and indirect ownership interest of the Borrower therein), in each case existing on the Closing Date.

9.13 Environmental Laws.

(a) Except as set forth on Schedule 9.13, on the Closing Date, except as would not reasonably be expected to have a Material Adverse Effect as of the Closing Date: (i) the Borrower and each of the Subsidiaries and all Oil and Gas Properties are in compliance with all applicable Environmental Laws; (ii) neither the Borrower nor any Subsidiary has received written notice of any Environmental Claim or any other liability under any applicable Environmental Law; (iii) neither the Borrower nor any Subsidiary is conducting any investigation, removal, remedial or other corrective action pursuant to any applicable Environmental Law at any location; and (iv) there has been no release or, to the knowledge of any Authorized Officer of the Borrower, threatened release of any Hazardous Materials at, on or under any Oil and Gas Properties currently owned or leased by the Borrower or any of its Subsidiaries.

(b) Except as set forth on Schedule 9.13, on the Closing Date, except as would not reasonably be expected to have a Material Adverse Effect as of the Closing Date, neither the Borrower nor any of the Subsidiaries has treated, stored, transported, released or disposed or arranged for disposal or transport for disposal of Hazardous Materials at, on, under or from any currently or formerly owned or leased Oil and Gas Properties or facility in a manner that would reasonably be expected to give rise to liability of the Borrower or any Subsidiary under any applicable Environmental Law.

9.14 Properties.

(a) Each Credit Party has good and defensible title to its material Oil and Gas Properties and good title to its material personal properties (in each case, subject to any Permitted Liens which are permitted to attach thereto) and owns such Oil and Gas Properties, in each case, free and clear of all Liens other than Liens permitted by Section 11.2. After giving full effect to the Liens permitted by Section 11.2, the Borrower or the Subsidiary specified as the owner owns the working interests and net revenue interests attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report, and the ownership of such properties shall not in any material respect obligate the Borrower or such Subsidiary to bear the costs and expenses relating to the maintenance, development and operations of each such property in an amount in excess of the working interest of each property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase in the Borrower's or such Subsidiary's net revenue interest in such property.

(b) All material leases and agreements necessary for the conduct of the business of the Borrower and the Subsidiaries are valid and subsisting, in full force and effect, except to the extent that any such failure to be valid or subsisting would not reasonably be expected to have a Material Adverse Effect.

(c) The rights and properties presently owned, leased or licensed by the Credit Parties including all easements and rights of way, include all rights and properties necessary to permit the Credit

Parties to conduct their respective businesses as currently conducted, except to the extent any failure to have any such rights or properties would not reasonably be expected to have a Material Adverse Effect.

(d) All of the properties of the Borrower and the Subsidiaries that are reasonably necessary for the operation of their businesses are in good working condition and are maintained in accordance with prudent business standards, except to the extent any failure to satisfy the foregoing would reasonably be expected to have a Material Adverse Effect.

9.15 [Reserved].

9.16 Insurance. The properties of the Borrower and the Subsidiaries are insured in the manner contemplated by Section 10.3.

9.17 Hedge Agreements. Except as set forth on Schedule 9.17, as of the Closing Date, the Credit Parties are not party to any Hedge Agreements.

9.18 Patriot Act. On the Closing Date, each Credit Party is in compliance in all material respects with the material provisions of the Patriot Act, and the Borrower has provided to the Administrative Agent and the Lenders all information related to the Credit Parties (including but not limited to names, addresses and tax identification numbers (if applicable)) reasonably requested in writing by the Administrative Agent and the Lenders and mutually agreed to be required by the Patriot Act to be obtained by the Administrative Agent or any Lender.

9.19 [Reserved].

9.20 No Default. On the Closing Date, no Credit Party is in default under or with respect to any Contractual Requirement that would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Credit Document. Each of the Borrower and each Subsidiary is in compliance in all material respects with the Requirements of Law applicable to it or to its properties, except in such instances in which (a) such Requirement of Law is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

9.21 Direct Benefit. The initial Borrowing hereunder and all additional Borrowings are for the direct benefit of the Borrower and its Subsidiaries. The Borrower and its Subsidiaries shall engage as an integrated group in the business of oil and gas exploration, production and related activities and other legal business purposes, and any benefits to the Borrower and its Subsidiaries is a benefit to all of them, both directly or indirectly, inasmuch as the successful operation and condition of the Borrower and its Subsidiaries is partially dependent upon the continued successful performance of the functions of the integrated group as a whole.

9.22 Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and its directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Authorized Officers of the Borrower, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in the Borrower being designated as a Sanctioned Person. None of (a) the Borrower, any of its Subsidiaries or to the knowledge of the Authorized Officers of the Borrower or such Subsidiary any

of their respective directors, officers or employees, or (b) to the knowledge of the Authorized Officers of the Borrower any agent of the Borrower or any of its Subsidiaries that will act in any capacity in connection with or benefit from the Facilities, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other Transactions will violate Anti-Corruption Laws or applicable Sanctions.

9.23 [Reserved].

9.24 EEA Financial Institutions. No Credit Party is an EEA Financial Institution.

9.25 Flood Insurance Regulations. As of the Closing Date, Schedule 9.25 identifies all Mortgaged Property such that if such Mortgaged Property were located in a special flood hazard area, such Mortgaged Property would require flood insurance pursuant to the Flood Insurance Regulations.

9.26 Beneficial Ownership. As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all respects.

ARTICLE X
AFFIRMATIVE COVENANTS

The Borrower hereby covenants and agrees that until Payment in Full:

10.1 Information Covenants. The Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. As soon as available and in any event within five (5) Business Days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 90 days after the end of each such fiscal year), the audited consolidated balance sheets of the Borrower and the Subsidiaries and, if different, the Borrower and the Subsidiaries, in each case as at the end of such fiscal year, and the related consolidated statements of operations, shareholders' equity and cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal years (or, in lieu of such audited financial statements of the Borrower and the Subsidiaries, a detailed reconciliation, reflecting such financial information for the Borrower and the Subsidiaries, on the one hand, and the Borrower and the Subsidiaries, on the other hand), all in reasonable detail and prepared in accordance with GAAP, and, except with respect to such reconciliation, certified by independent certified public accountants of recognized national standing, together in any event with a certificate of such accounting firm stating that in the course of either (i) its regular audit of the business of the Borrower and its consolidated Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards or (ii) performing certain other procedures permitted by professional standards, such accounting firm has obtained no knowledge of any Event of Default relating to the Financial Performance Covenants that has occurred and is continuing or, if in the opinion of such accounting firm such an Event of Default has occurred and is continuing, a statement as to the nature thereof, together with, if not otherwise required to be filed with the SEC, a customary management discussion and analysis describing the financial condition and results of operations of the Borrower and its Subsidiaries.

(b) Quarterly Financial Statements. As soon as available and in any event within five (5) Business Days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 60 days after the end of each such quarterly accounting period), the

consolidated balance sheets of the Borrower and the Subsidiaries and, if different, the Borrower and the Subsidiaries, in each case as at the end of such quarterly period and the related consolidated statements of operations, shareholders' equity and cash flows for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year (or, in lieu of such unaudited financial statements of the Borrower and the Subsidiaries, a detailed reconciliation reflecting such financial information for the Borrower and the Subsidiaries, on the one hand, and the Borrower and the Subsidiaries, on the other hand), all of which shall be certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows, of the Borrower and its consolidated Subsidiaries in accordance with GAAP, subject to changes resulting from audit and normal year-end audit adjustments and the absence of footnotes, together with, if not otherwise required to be filed with the SEC, a customary management discussion and analysis describing the financial condition and results of operations of the Borrower and its Subsidiaries.

(c) Monthly Operating Reports. Substantially concurrently with the filing thereof with the Bankruptcy Court, the monthly operating report of the Debtors required to be filed with the Bankruptcy Court.

(d) Officer's Certificates. (i) At the time of the delivery of the financial statements provided for in Sections 10.1(a) and 10.1(b), a certificate of an Authorized Officer of the Borrower certifying that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth a specification of any change in the identity of the Subsidiaries and Guarantors as at the end of such fiscal year or period, as the case may be, from the Subsidiaries and Guarantors, respectively, provided to the Lenders on the Closing Date or the most recent fiscal year or period, as the case may be, and (ii) on each Thursday, a certificate of a Financial Officer of the Borrower, certifying that the Borrower was in compliance with (A) the Financial Performance Covenant in Section 11.11(b)(i) as of the close of business on the immediately preceding Friday and (B) the Financial Performance Covenant in Section 11.11(b)(ii) as of the close of business on each day since the Closing Date or the delivery of the last such certificate, as the case may be, together with the calculations required to establish whether the Borrower was in compliance with the Financial Performance Covenant in Section 11.11(b)(i) as of the close of business on the Friday immediately preceding the date on which such certificate is required to be delivered hereunder.

(e) Notice of Default; Litigation. Promptly after an Authorized Officer of the Borrower obtains actual knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (ii) any Proceeding pending against the Borrower or any of the Subsidiaries for which it would reasonably be expected that an adverse determination is probable, and that such determination would result in a Material Adverse Effect.

(f) Environmental Matters. Promptly after an Authorized Officer of the Borrower obtains written notice of any Governmental Authority of any one or more of the following environmental matters, unless such environmental matters would not, individually, or when aggregated with all other such matters, be reasonably expected to result in a Material Adverse Effect, notice of:

(i) any pending or threatened Environmental Claim against any Credit Party or any Oil and Gas Properties;

(ii) any condition or occurrence on any Oil and Gas Properties that (A) would reasonably be expected to result in noncompliance by any Credit Party with any applicable Environmental

Law or (B) would reasonably be anticipated to form the basis of an Environmental Claim against any Credit Party or any Oil and Gas Properties;

(iii) any condition or occurrence on any Oil and Gas Properties that would reasonably be anticipated to cause such Oil and Gas Properties to be subject to any restrictions on the ownership, occupancy, use or transferability of such Oil and Gas Properties under any Environmental Law; and

(iv) the conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, release or threatened release of any Hazardous Material on, at, under or from any Oil and Gas Properties.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the response thereto.

(g) Other Information. (i) Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8), (ii) contemporaneously with the delivery thereof to such other Person copies of all financial statements, proxy statements, notices and reports that the Borrower or any of the Subsidiaries shall send to the holders of any publicly issued debt of the Borrower and/or any of the Subsidiaries, in each case in their capacity as such holders, lenders or agents (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement), (iii) with reasonable promptness, but subject to the limitations set forth in the last sentences of Section 10.2(a) and Section 14.6, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time and (iv) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

(h) Beneficial Ownership. Prompt written notice of any change in the information provided in the Beneficial Ownership Certification delivered to any Lender that would result in a change to the list of beneficial owners identified in such certification.

(i) 13-Week Projections; Variance Reports.

(i) On each fourth Thursday, commencing on Thursday, August 13, 2020, the Borrower shall provide to the Administrative Agent and the Lenders (A) an updated 13-week Projection covering the period commencing with the most recently ended Saturday and ending 13 weeks thereafter and (B) a certificate of a Financial Officer of the Borrower stating that such 13-week Projection has been prepared on a reasonable basis and in good faith and is based on assumptions believed by the Borrower to be reasonable at the time made and from the best information then available to the Borrower in connection therewith (such certificate a "Budget Certificate"). Such updated 13-week Projection shall, upon the approval of the Administrative Agent, the Majority Lenders and the "Majority Lenders" (as defined in the Junior DIP Credit Agreement), become the Budget for all purposes herein; provided that the Majority Lenders will be deemed to have approved such updated 13-week Projection unless Lenders constituting the Majority Lenders reasonably object in writing within 5 Business Days of receiving such updated 13-week Projection. For the

avoidance of doubt, until such time as a new 13-week Projection is approved or deemed approved by the Administrative Agent, the Majority Lenders and the "Majority Lenders" (as defined in the Junior DIP Credit Agreement), the then-effective Budget shall continue to be the Budget for all purposes under this Agreement.

(ii) On every other Thursday, commencing with the Thursday of the second full week after the Petition Date, an Authorized Officer of the Borrower shall provide to the Administrative Agent and the Lenders a Variance Report with respect to the Budget that covered the immediately preceding four-week period ending with the most recently ended Friday (it being understood, for avoidance of doubt, that for purposes of this Section the above reference to the Budget shall refer to the most recent Budget that was in effect for such elapsed period) that is certified as being true and correct.

Documents required to be delivered pursuant to Sections 10.1(a) and (b), Section 10.1(f) and Section 10.1(i) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 14.2, (ii) on which such documents are transmitted by electronic mail to the Administrative Agent or (iii) on which such documents are filed of record with the SEC; provided that the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents (except that no such notice shall be required to the extent such documents are filed on record with the SEC). Notwithstanding anything contained herein, at the request of the Administrative Agent, the Borrower shall be required to provide paper copies of the certificates required by Section 10.1(d) to the Administrative Agent. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of such documents from the Administrative Agent and maintaining its copies of such documents.

10.2 Books, Records and Inspections.

(a) The Borrower will, and will cause each Subsidiary to, permit officers and designated representatives of the Administrative Agent or the Majority Lenders (as accompanied by the Administrative Agent) to visit and inspect any of the properties or assets of the Borrower or such Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Borrower and any such Subsidiary and discuss the affairs, finances and accounts of the Borrower and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, upon reasonable advance notice to the Borrower, all at such reasonable times and intervals during normal business hours and to such reasonable extent as the Administrative Agent or the Majority Lenders may desire (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); provided that, excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent on behalf of the Majority Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 10.2; provided, further, that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) or any representative of the Majority Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Majority Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants. Notwithstanding anything to the contrary in Section 10.1(f)(iii) or this Section 10.2, neither the Borrower nor any Subsidiary will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors)

is prohibited by any Requirement of Law or any binding agreement or (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product.

(b) The Borrower will, and will cause each of the Subsidiaries to, maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with GAAP consistently applied shall be made of all material financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be.

10.3 Maintenance of Insurance. The Borrower will, and will cause each Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business; and will furnish to the Administrative Agent, upon written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried. The Administrative Agent shall be the additional insured on any such liability insurance as its interests may appear and, if casualty insurance is obtained, the Administrative Agent shall be the additional loss payee under any such casualty insurance; provided that, subject to the mandatory prepayment provisions set forth in Section 5.2, so long as no Event of Default has occurred and is then continuing, the Secured Parties will provide (or permit the applicable insurance company to provide) any proceeds of such casualty insurance to the Borrower to the extent that the Borrower undertakes to apply such proceeds to the reconstruction, replacement or repair of the property insured thereby. All policies of insurance required by the terms of this Agreement or any Security Document shall provide that each insurer shall endeavor to give at least 30 days' prior written notice to the Administrative Agent of any cancellation of such insurance (or at least 10 days' prior written notice in the case of cancellation of such insurance due to non-payment of premiums). If any Building (as defined in the applicable Flood Insurance Regulation) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulation) constitutes Mortgaged Property, each applicable Credit Party shall maintain in full force and effect flood insurance for such property, structures and contents in such amount and for so long as required by the Flood Insurance Regulations.

10.4 Payment of Taxes. Except as prohibited or excused by the DIP Order, the Bankruptcy Code or an applicable order of the Bankruptcy Court, the Borrower will pay and discharge, and will cause each of the Subsidiaries to pay and discharge, all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which material penalties attach thereto, and all lawful material claims in respect of any Taxes imposed, assessed or levied that, if unpaid, would reasonably be expected to become a material Lien upon any properties of the Borrower or any of the Subsidiaries; provided that neither the Borrower nor any of the Subsidiaries shall be required to pay or discharge any such tax, assessment, charge, levy or claim that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower) with respect thereto to the extent required by, and in accordance with, GAAP or the failure to pay or discharge would not reasonably be expected to result in a Material Adverse Effect.

10.5 Consolidated Corporate Franchises. The Borrower will do, and will cause each Subsidiary to do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence, corporate rights and authority, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; provided that the Borrower and its Subsidiaries may consummate any transaction permitted under Section 11.3, 11.4 or 11.5.

10.6 Compliance with Statutes, Regulations, Etc. The Borrower will, and will cause each Subsidiary to, comply with all Requirements of Law applicable to it or its property, including all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, in each case except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

10.7 ERISA.

(a) Promptly after the Borrower or any ERISA Affiliate knows or has reason to know of the occurrence of any of the following events that, individually or in the aggregate (including in the aggregate such events previously disclosed or exempt from disclosure hereunder, to the extent the liability therefor remains outstanding), would be reasonably likely to have a Material Adverse Effect, the Borrower will deliver to the Administrative Agent a certificate of an Authorized Officer or any other senior officer of the Borrower setting forth details as to such occurrence and the action, if any, that the Borrower or such ERISA Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by the Borrower, such ERISA Affiliate, the PBGC, a Plan participant (other than notices relating to an individual participant's benefits) or the Plan administrator with respect thereto: that a Reportable Event has occurred; that an application is to be made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan; that a Plan having an Unfunded Current Liability has been or is to be terminated, or a Multiemployer Plan is to be reorganized, partitioned or declared insolvent, under Title IV of ERISA (including the giving of written notice thereof); that a Plan has an Unfunded Current Liability that has or will result in a lien under ERISA or the Code; that a proceeding has been instituted against the Borrower or an ERISA Affiliate pursuant to Section 515 of ERISA to collect a delinquent contribution to a Multiemployer Plan; that the PBGC has notified the Borrower or any ERISA Affiliate of its intention to appoint a trustee to administer any Plan; that the Borrower or any ERISA Affiliate has failed to make a required installment or other payment pursuant to Section 412 of the Code with respect to a Plan; or that the Borrower or any ERISA Affiliate has incurred or will incur (or has been notified in writing that it will incur) any liability (including any contingent or secondary liability) to or on account of a Plan or a Multiemployer Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code.

(b) Promptly following any request therefor, the Borrower will deliver to the Administrative Agent copies of (i) any documents described in Section 101(k) of ERISA that the Borrower and any of its Subsidiaries or any ERISA Affiliate may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l) of ERISA that the Borrower and any of its Subsidiaries or any ERISA Affiliate may request with respect to any Multiemployer Plan; provided that if the Borrower, any of its Subsidiaries or any ERISA Affiliate has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, the Borrower, the applicable Subsidiary(ies) or the ERISA Affiliate(s) shall promptly, following a request from the Administrative Agent, make a request for such documents or notices from such administrator or sponsor and shall provide copies of such documents and notices promptly after receipt thereof.

10.8 Maintenance of Properties. The Borrower will, and will cause each of the Subsidiaries to, except in each case where the failure to so comply would not reasonably be expected to result in a Material Adverse Effect:

(a) operate its Oil and Gas Properties and other material properties or cause such Oil and Gas Properties and other material properties to be operated in a careful and efficient manner in accordance with the practices of the industry and in compliance with all applicable Contractual Requirements and all applicable Requirements of Law, including applicable proration requirements and applicable Environmental Laws, and all applicable Requirements of Law of every other Governmental Authority from time to time constituted to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom;

(b) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and preserve, maintain and keep in good repair, working order and efficiency (ordinary wear and tear excepted) all of its material Oil and Gas Properties and other material properties, including all equipment, machinery and facilities; and

(c) to the extent a Credit Party is not the operator of any property, the Borrower shall use reasonable efforts to cause the operator to comply with this Section 10.8.

10.9 [Reserved].

10.10 Additional Guarantors, Grantors and Collateral. Subject to entry and the terms of the Interim Order (and, when entered, the Final Order):

(a) Subject to Section 11.16, the Borrower will cause any direct or indirect Subsidiary formed or otherwise purchased or acquired after the Closing Date within thirty (30) days from the date of such formation or acquisition to execute a joinder or supplement, as the case may be, to each of the Guarantee, the Security Agreement and the Pledge Agreement, in each case, in order to become a Guarantor under the Guarantee, a grantor under the Security Agreement and a pledgor under the Pledge Agreement;

(b) the Borrower will make all required filings, registrations and recordings, including filings of Uniform Commercial Code or other applicable personal property and financing statements, necessary or appropriate to create or continue, as applicable, the Liens intended to be created by any Security Document and perfect such Liens to the extent required by, and with the priority required by, such Security Document and none of the Collateral shall be subject to any other pledges, security interests or mortgages, except that Liens permitted under Section 11.2 may exist;

(c) the Borrower will pledge, and if applicable will cause each other Guarantor (or Person required to become a Guarantor pursuant to Section 10.10(a)) to pledge to the Administrative Agent, for the benefit of the Secured Parties, all property hereafter acquired (other than Excluded Property) within ten (10) Business Days after the date such property is first acquired or received by the Borrower or a Guarantor (or Person required to become a Guarantor pursuant to Section 10.10(a)); and

(d) the Borrower will execute such Mortgages, other Security Documents and other documents or instruments, and shall take such actions, necessary to comply at all times with the collateral requirements hereunder and in each Security Document, including after giving effect to any acquisition of additional property, including any Oil and Gas Properties.

10.11 Use of Proceeds.

(a) The Borrower will use the proceeds of the Loans (i) to pay fees and expenses related to the Facility and the Chapter 11 Cases, (ii) to provide for working capital, capital expenditures and general corporate purposes during the pendency of the Chapter 11 Cases as and to the extent set forth in the Interim Order and/or the Final Order, as applicable, and (iii) to fund adequate protection payments pursuant to the

DIP Order (and subject to any collateral agency agreement or intercreditor agreement applicable to the Prepetition Credit Agreement).

(b) The Borrower will use Letters of Credit for general corporate purposes and to support deposits required under purchase agreements pursuant to which the Borrower or its Subsidiaries may acquire Oil and Gas Properties and other assets.

10.12 Further Assurances.

(a) Subject to the applicable limitations set forth in the Security Documents, the Borrower will, and will cause each other Credit Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture, filings, assignments of as-extracted collateral, mortgages, deeds of trust and other documents) that may be required under any applicable Requirements of Law, or that the Administrative Agent or the Majority Lenders may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the applicable Security Documents or to carry out more effectively the purposes of the DIP Order, all at the expense of the Borrower and the Subsidiaries.

(b) Notwithstanding anything herein to the contrary, if the Administrative Agent and the Borrower reasonably determine in writing that the cost of creating or perfecting any Lien on any property is excessive in relation to the benefits afforded to the Lenders thereby, then such property may be excluded from the Collateral for all purposes of the Credit Documents.

10.13 Reserve Reports. On or before March 31, May 31, August 31 and November 30 of each year, beginning on August 31, 2020, the Borrower shall furnish to the Administrative Agent a Reserve Report evaluating, as of the immediately preceding January 1st (with respect to the March 31st Reserve Report), April 1st (with respect to the May 31 Reserve Report), July 1st (with respect to the August 31st Reserve Report) or October 1st (with respect to the November 30th Reserve Report) the Proved Reserves of the Borrower and the Credit Parties located within the geographic boundaries of the United States of America (or the Outer Continental Shelf adjacent to the United States of America). The May 31st Reserve Report will, at the Borrower's option, be either (a) prepared by an independent petroleum engineering firm reasonably acceptable to the Administrative Agent or (b) prepared by or under the supervision of the Borrower's chief engineer and audited or subject to a process review by an independent petroleum engineering firm reasonably acceptable to the Administrative Agent; provided that to the extent the Borrower elects to have such Reserve Report prepared internally and audited or made subject to a process review by an independent petroleum engineer, such audit or process review shall be acceptable so long as the aggregate of the oil and gas volumes audited or reviewed in such Reserve Report (i) equals or exceeds 20% of the aggregate volumes evaluated in such Reserve Report and (ii) when aggregated with all of the other oil and gas volumes audited or reviewed by an independent petroleum engineer over the prior five years, equals or exceeds 80% of the aggregate volumes evaluated in such Reserve Report; provided, further, that such Reserve Report shall be substantially similar to the Borrower's year-end reserve report filed with the SEC. Each other Reserve Report will, at the Borrower's option, be either (1) prepared by an independent petroleum engineering firm reasonably acceptable to the Administrative Agent or (2) prepared by or under the supervision of the Borrower's chief engineer; provided that such Reserve Report shall be prepared in a customary fashion substantially similar to past reserve reports delivered under this Agreement and may be a "roll forward" of the previously delivered Reserve Report prepared in a customary fashion.

10.14 Commodity Exchange Act Keepwell Provisions. The Borrower hereby guarantees the payment and performance of all Obligations of each Credit Party (other than Borrower) and absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from

time to time by each Credit Party (other than the Borrower) in order for such Credit Party to honor its obligations under the Guarantee including obligations with respect to Hedge Agreements (provided, however, that the Borrower shall only be liable under this Section 10.14 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.14, or otherwise under this Agreement or any Credit Document, as it relates to such other Credit Parties, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of the Borrower under this Section 10.14 shall remain in full force and effect until Payment in Full. The Borrower intends that this Section 10.14 constitute, and this Section 10.14 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

10.15 Milestones. The following actions shall have been taken by the Debtors or the Bankruptcy Court, as applicable, by the following dates (such dates, collectively, the "Milestones"), in each case, except as the Majority Lenders may agree:

(a) no later than eight (8) days after the Petition Date, the Bankruptcy Court shall have entered the Interim Order;

(b) no later than 14 days after the Petition Date, the Debtors shall have filed the Plan of Reorganization and Disclosure Statement along with a motion seeking approval of the Disclosure Statement;

(c) no later than 40 days after the Petition Date, the Bankruptcy Court shall have entered the Final Order;

(d) no later than 44 days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Solicitation Materials and the Disclosure Statement;

(e) no later than 105 days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Confirmation Order; and

(f) no later than 135 days after the Petition Date, the effective date of the Plan of Reorganization shall have occurred.

10.16 Minimum Hedged Volume. The Borrower and/or other Credit Parties shall, on or before the date occurring eight (8) weeks after the Petition Date (or such later date as the Administrative Agent may agree in its sole discretion), enter into and maintain Hedge Agreements with Hedge Banks, the net notional volumes (when aggregated with other commodity Hedge Agreements then in effect) for which are not less than twenty-five percent (25%) of the reasonably anticipated crude oil production from the Proved Developed Producing Reserves of the Credit Parties (as forecast based upon the most recent Reserve Report delivered pursuant to Section 10.13) on a monthly basis for the 12-month period commencing on the date of entry of the Final Order.

10.17 Lender Calls. The Borrower shall host a conference call with the Administrative Agent, the Lenders and the Senior DIP Advisors once per week upon reasonable prior notice to be held at such time as reasonably designated by the Borrower (in consultation with the Administrative Agent and the Senior DIP Advisors), at which conference call shall be discussed the Budget and the Variance Report for the prior week related thereto, the Credit Parties' financial condition, business operations, liquidity, business plan, projections and the status of the Chapter 11 Cases generally.

10.18 Bankruptcy Related Matters. Each Credit Party shall, and shall cause each of its Subsidiaries to:

(a) cause all proposed (i) "first day" orders, (ii) "second day" orders, (iii) orders related to or affecting the Senior DIP Facility, the Obligations, the Prepetition Obligations and the Credit Documents, any other financing or use of cash collateral, any sale or other disposition of Collateral outside the ordinary course or adequate protection, (iv) any plan of reorganization and/or any disclosure statement related thereto, (v) orders approving non-ordinary course transactions and (vi) orders concerning the financial condition of the Debtors, or other Indebtedness of the Debtors submitted to the Bankruptcy Court, in each case, proposed by the Debtors, to be in accordance with the terms of this Agreement in all material respects, it being understood and agreed that the forms of all orders approved by the Senior DIP Advisors prior to the Petition Date are in accordance with the terms of this Agreement and are reasonably acceptable or acceptable, as the case may be, to the Administrative Agent and the Majority Lenders in all respects;

(b) comply in all material respects with each order entered by the Bankruptcy Court in connection with the Chapter 11 Cases;

(c) deliver to the Administrative Agent (for distribution to the Lenders) and the Senior DIP Advisors at least two (2) days prior to such filing or distribution, copies of all material pleadings and motions to be filed by or on behalf of the Borrower or any of the other Debtors with the Bankruptcy Court or the United States Trustee in the Chapter 11 Cases, or to be distributed by or on behalf of the Borrower or any of the other Debtors to any official committee appointed in the Chapter 11 Cases (other than emergency pleadings or motions where, despite such Debtor's commercially reasonable efforts, such two-day notice is impracticable); provided that copies of pleadings and motions to be so filed by or on behalf of the Borrower or any of the other Debtors to the extent directly relating to this Agreement or any other Credit Document, including, without limitation, any amendment, modification or supplement to this Agreement or any other Credit Document (or a waiver of the provisions thereof) or any other matter adversely affecting the liens, claims or rights of the Secured Parties under this Agreement or any other Credit Document in any material respect shall be delivered to the Administrative Agent and the Senior DIP Advisors at least three (3) days prior to such filing;

(d) if not otherwise provided through the Bankruptcy Court's electronic docketing system, as soon as available, deliver to the Administrative Agent (for distribution to the Lenders) and the Senior DIP Advisors promptly as soon as available, copies of all final pleadings, motions, applications, orders, financial information and other documents distributed by or on behalf of the Credit Parties to any official or unofficial committee appointed or appearing in the Chapter 11 Cases; and

(e) except as otherwise is permitted by the DIP Order, the Borrower shall provide prior written notice as soon as reasonably practicable to the Administrative Agent and the Senior DIP Advisors prior to any assumption or rejection of any Debtor's or any Subsidiary's material contracts or material non-residential real property leases pursuant to Section 365 of the Bankruptcy Code, and no such contract or lease shall be assumed or rejected, if such assumption or rejection adversely impacts the Collateral, any Liens thereon or any Superpriority Claims payable therefrom (including, without limitation, any sale or other disposition of Collateral or the priority of any such Liens or Superpriority Claims), if the Administrative Agent or the Senior DIP Advisors inform the Borrower in writing within three (3) Business Days of receipt of the notice from the Borrower referenced above that it objects to such assumption or rejection, as applicable.

10.19 Production Reports. Concurrently with any delivery of financial statements under Section 10.1(c), a report setting forth, for each calendar month since the "as of" date of the most recently delivered Reserve Report, the volume of production and sales attributable to production (and the prices at which such

sales were made and the revenues derived from such sales) for each such calendar month from the Oil and Gas Properties, and setting forth the related taxes and operating expenses attributable thereto and incurred for each such calendar month.

10.20 Business Plan. By November 30, 2020, or such earlier date upon any material change to the business plan delivered to the Lenders on the Closing Date pursuant to Section 7.11, the Borrower shall deliver to the Administrative Agent and the Lenders an updated business plan in form and substance reasonably satisfactory to the Administrative Agent and the Majority Lenders for the period through the 2024 fiscal year of the Borrower.

10.21 Post-Closing Insurance Certificates. On or prior to the date that is 10 Business Days after the Closing Date (or such later date as the Administrative Agent may agree in its sole discretion), the Administrative Agent shall have received copies of insurance certificates evidencing the insurance required to be maintained by the Borrower and its Subsidiaries pursuant to Section 10.3, together with insurance endorsements naming the Administrative Agent as additional insured and lender's loss payee, as applicable.

ARTICLE XI
NEGATIVE COVENANTS

The Borrower hereby covenants and agrees that until Payment in Full (and, in each case, subject to the Borrower's right to determine which exception will apply, in the case of any particular transaction that may be permitted under more than one exception, and in any event, with no exception limiting any other exception):

11.1 Limitation on Indebtedness. The Borrower will not, and will not permit any of the Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness other than the following:

(a) (i) Indebtedness arising under the Credit Documents and (ii) Indebtedness arising under the Junior DIP Facility; provided that the aggregate principal amount of loans arising under the Junior DIP Facility shall not exceed $650,000,000 (or such other amount set forth in and subject to the terms and conditions of the DIP Order);

(b) [reserved];

(c) unsecured Indebtedness of the Credit Parties owing to the other Credit Parties;

(d) to the extent in existence on the Petition Date or in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims, Indebtedness in respect of any bankers' acceptance, bank guarantees, letter of credit, warehouse receipt or similar facilities entered into in the ordinary course of business;

(e) subject to compliance with Section 11.5, Guarantee Obligations incurred by (i) Guarantors in respect of Indebtedness of the Borrower or other Guarantors that is permitted to be incurred under this Agreement (except that a Guarantor may not, by virtue of this Section 11.1(e), guarantee Indebtedness that such Guarantor could not otherwise incur under this Section 11.1) and (ii) the Borrower in respect of Indebtedness of Guarantors that is permitted to be incurred under this Agreement; provided that if the Indebtedness being guaranteed under this Section 11.1(e) is subordinated to the Obligations, such Guarantee Obligations shall be subordinated to the Guarantee of the Obligations on terms at least as favorable to the Lenders as those contained in the subordination of such Indebtedness;

(f) Guarantee Obligations (i) incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors, licensees or sublicensees or (ii) otherwise constituting Investments permitted by Sections 11.5(b)(iv), (xv) and (xvii);

(g) Indebtedness arising under Capital Leases incurred prior to the Petition Date;

(h) Prepetition Indebtedness, without giving effect to any extensions, renewals, refinancings, supplemental borrowings or other incurrences thereof;

(i) [reserved];

(j) [reserved];

(k) [reserved];

(l) to the extent in existence on the Petition Date or to the extent incurred to secure health, safety and environmental obligations in the ordinary course of business or consistent with past practice, Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business or consistent with past practice;

(m) Cash Management Obligations, Cash Management Services and other Indebtedness in respect of netting services, automatic clearing house arrangements, employees' credit or purchase cards, overdraft protections and similar arrangements in each case incurred in the ordinary course of business;

(n) Indebtedness incurred in the ordinary course of business in respect of obligations of the Borrower or any Guarantor to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services;

(o) to the extent in existence on the Petition Date, Indebtedness arising from agreements of the Borrower or any Guarantor providing for indemnification, adjustment of purchase price or similar obligations (including earn-outs), in each case entered into in connection with Investments and/or the Disposition of any business, assets or Stock permitted hereunder;

(p) Indebtedness of the Borrower or any Guarantor consisting of (i) obligations to pay insurance premiums or (ii) obligations contained in firm transportation or supply agreements or other take or pay contracts entered into prior to the Petition Date, in each case arising in the ordinary course of business;

(q) Indebtedness representing deferred compensation to employees, consultants or independent contractors of the Borrower and the Guarantors incurred in the ordinary course of business;

(r) to the extent in existence on the Petition Date, Indebtedness consisting of promissory notes issued by the Borrower or any Guarantor to current or former officers, managers, consultants, directors and employees (or their respective spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) permitted by Section 11.6;

(s) Indebtedness consisting of obligations of the Borrower and the Guarantors under deferred compensation or other similar arrangements incurred by such Person in connection with the Transactions or, to the extent in existence on the Petition Date, any other Investment permitted hereunder;

(t) Indebtedness associated with bonds or surety obligations required by Requirements of Law or by Governmental Authorities in connection with the operation of Oil and Gas Properties in the ordinary course of business;

(u) [reserved];

(v) [reserved];

(w) [reserved];

(x) other Indebtedness in an aggregate principal amount not to exceed $5,000,000;

(y) all premiums (if any), interest (including post-petition interest), fees, expenses, charges, and additional or contingent interest on obligations in clauses (a) through (x) above and clause (z) below; and

(z) Indebtedness in respect of Adequate Protection Claims (as defined in the DIP Order) to the extent, and subject to the conditions, set forth in the DIP Order.

Notwithstanding anything to the contrary in this Section 11.1, any other provisions of this Agreement or any other Credit Document, the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to create, incur, assume or suffer to exist any Indebtedness.

11.2 Limitation on Liens. The Borrower will not, and will not permit any of the Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any Subsidiary, whether now owned or hereafter acquired, and will not apply to the Bankruptcy Court for the authority to do any of the foregoing, except:

(a) Liens arising under the Credit Documents to secure the Obligations (including Liens contemplated by Section 3.8);

(b) Permitted Liens;

(c) Liens securing Indebtedness permitted pursuant to Section 11.1(g);

(d) (i) Liens on any property of the Borrower or any Guarantor existing on the Petition Date and listed on Schedule 11.2; provided that (A) no such Lien shall at any time be extended to cover any additional property not subject thereto on the Petition Date and (B) the principal amount of the Indebtedness secured by such Liens shall not be extended, renewed, refunded or refinanced and (ii) Liens on the property of the Borrower or any Guarantor in existence on the Petition Date that are perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code;

(e) Liens securing Prepetition Indebtedness; provided that such Liens are subject to the terms and conditions of the DIP Order;

(f) [reserved];

(g) [reserved];

(h) [reserved];

(i) Liens (i) of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off);

(j) [reserved];

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale or purchase of goods entered into by the Borrower or any of the Guarantors in the ordinary course of business permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 11.5;

(m) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts in existence on the Petition Date incurred in the ordinary course of business and approved by the Borrower's board of directors;

(n) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance or incurrence of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Guarantor to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Guarantors or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Guarantor in the ordinary course of business;

(o) [reserved];

(p) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(q) Liens in respect of Production Payments which, in the case of Production Payments constituting Indebtedness, only secure assets that are subject to such Production Payments; provided that the obligations secured by such Liens shall not exceed $5,000,000;

(r) the prior right of consignees and their lenders under consignment arrangements entered into in the ordinary course of business;

(s) agreements to subordinate any interest of the Borrower or any Guarantor in any accounts receivable or other proceeds arising from inventory consigned by the Borrower or any Guarantor pursuant to an agreement entered into in the ordinary course of business;

(t) [reserved];

(u) [reserved];

(v) Liens arising pursuant to Section 107(l) of CERCLA, or other Environmental Law, unless such Lien (i) by action of the lienholder, or by operation of law, takes priority over any Liens arising under the Credit Documents on the property upon which it is a Lien, and (ii) relates to a liability of the Borrower or any Subsidiary that is reasonably likely to exceed $5,000,000;

(w) [reserved];

(x) [reserved];

(y) [reserved];

(z) Liens securing Indebtedness permitted under Section 11.1(x);

(aa) [reserved];

(bb) Liens in existence on the Petition Date securing the counterparty's interests under farm-in agreements or farm-out agreements and Development Joint Ventures relating to Proved Undeveloped Reserves or Hydrocarbon Interests to which no Proved Reserves are attributable or undeveloped acreage to which no Proved Reserves are attributable;

(cc) the Adequate Protection Liens (as defined in the DIP Order) to the extent, and subject to the conditions, set forth in the DIP Order; and

(dd) Liens securing the Junior DIP Credit Agreement and the obligations due and owing thereunder; provided that such Liens are subject to the terms and conditions of the DIP Order.

Notwithstanding anything to the contrary in this Section 11.2, any other provisions of this Agreement or any other Credit Document, the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to create, incur, assume or suffer to exist any Lien upon any of its property or assets of any kind (real or personal, tangible or intangible), whether now owned or hereafter acquired.

11.3 Limitation on Fundamental Changes. The Borrower will not, and will not permit any of the Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of, all or substantially all its business units, assets or other properties.

11.4 Limitation on Sale of Assets. The Borrower will not, and will not permit any of the Subsidiaries to, (x) convey, sell, lease, sell and leaseback, assign, farm-out, transfer or otherwise dispose (each of the foregoing a "Disposition") of any of its property, business or assets (including receivables and leasehold interests), whether now owned or hereafter acquired or (y) sell to any Person (other than the Borrower or a Guarantor) any shares owned by it of any Subsidiary's Stock and Stock Equivalents, except that:

(a) the Borrower and the Guarantors may Dispose of (i) inventory and other goods held for sale, including Hydrocarbons, obsolete, worn out, used or surplus equipment, vehicles and other assets (other than accounts receivable), in each case, in the ordinary course of business (including equipment that is no longer necessary for the business of the Borrower or the Guarantors or is replaced by equipment of at least comparable value and use) and (ii) Permitted Investments;

(b) the Borrower and the Guarantors may Dispose of any Oil and Gas Properties or any interest therein or the Stock or Stock Equivalents of any Subsidiary owning Oil and Gas Properties (x) to the extent required by the terms of operating agreements, farm-ins, joint exploration and development agreements and other agreements as in effect on the Closing Date and, in each case, in the ordinary course of business, and (y) to the extent such properties do not constitute Proved Reserves and are not included in

the most recently delivered Reserve Report in connection with operating agreements, farm-ins, joint exploration and development agreements and other agreements customary in the oil and gas industry for the purpose of developing such Oil and Gas Properties; provided that (i) such Disposition is for Fair Market Value and (ii) the Borrower shall provide prior written notice to the Administrative Agent of such Disposition;

(c) the Borrower and the Guarantors may Dispose of property or assets pursuant to an order of the Bankruptcy Court;

(d) the Borrower and any Guarantor may effect any transaction permitted by Section 11.3, 11.5 or 11.6;

(e) the Borrower and the Guarantors may lease, sublease, license or sublicense (on a non-exclusive basis with respect to any intellectual property) real (other than Oil and Gas Properties), personal or intellectual property, in each case, in the ordinary course of business;

(f) the Borrower and each other Credit Party may Dispose of property or assets to the Borrower or any other Credit Party;

(g) Dispositions of Hydrocarbon Interests to which no Proved Reserves are attributable and farm-outs of undeveloped acreage to which no Proved Reserves are attributable and assignments in connection with such farm-outs; provided that (i) such Disposition is for Fair Market Value and (ii) the Borrower receives 100% cash consideration for such Disposition;

(h) [reserved];

(i) [reserved];

(j) transfers of property subject to a (i) Casualty Event or in connection with any condemnation proceeding with respect to Collateral upon receipt of the net cash proceeds of such Casualty Event or condemnation proceeding or (ii) in connection with any Casualty Event or any condemnation proceeding, in each case with respect to property that does not constitute Collateral;

(k) Dispositions of accounts receivable (i) in connection with the collection or compromise thereof or (ii) to the extent the proceeds thereof are used to prepay any Loans then outstanding;

(l) the unwinding, terminating and/or offsetting of any Hedge Agreement subject to the prior written consent of the Administrative Agent and the Majority Lenders (such consent not to be unreasonably withheld or delayed);

(m) [reserved];

(n) [reserved]; and

(o) Dispositions of any easement on any surface rights to any Governmental Authority to satisfy the requirements of any "conservation easements" or similar programs established by any Governmental Authority; provided that such Disposition does not materially impair the exploitation and development of the affected Oil and Gas Properties.

Notwithstanding anything to the contrary in this Section 11.4, any other provisions of this Agreement or any other Credit Document, the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to (x) Dispose of any of its property, business or assets (including receivables

and leasehold interests), whether now owned or hereafter acquired to any Person other than the Borrower or a Guarantor or (y) sell to any Person (other than the Borrower or a Guarantor) any shares owned by it of any Subsidiary's Stock and Stock Equivalents.

11.5 Limitation on Investments.

(a) [Reserved].

(b) The Borrower will not, and will not permit any of the Subsidiaries, to make or maintain any Investment except:

(i) extensions of trade credit and purchases of assets and services (including purchases of inventory, supplies and materials) in the ordinary course of business;

(ii) Investments in assets that constituted Permitted Investments at the time such Investments were made;

(iii) [reserved];

(iv) Investments existing on, or made pursuant to legally binding written commitments in existence on, the Petition Date as set forth on Schedule 11.5;

(v) Investments received in connection with the bankruptcy or reorganization of suppliers or customers and in settlement of delinquent obligations of, and other disputes with, customers arising in the ordinary course of business or upon foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(vi) [reserved];

(vii) [reserved];

(viii) [reserved];

(ix) Investments constituting non-cash proceeds of Dispositions of assets to the extent such Disposition is permitted by Section 11.4;

(x) [reserved];

(xi) [reserved];

(xii) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(xiii) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;

(xiv) advances of payroll payments to employees, consultants or independent contractors or other advances of salaries or compensation to employees, consultants or independent contractors, in each case in the ordinary course of business and included in the Budget or, if not included in the Budget, in an aggregate amount to exceed $1,000,000;

(xv) guarantee obligations of the Borrower or any other Credit Party of leases (other than Capital Leases) or of other obligations of a Credit Party that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(xvi) [reserved];

(xvii) Investments in interests in additional Oil and Gas Properties or Investments related to farm-out, farm-in, joint operating, joint development or other area of mutual interest agreements, in each case, in the ordinary course of business and included in the Budget;

(xviii) Investments in Hedge Agreements permitted by Section 11.1 and Section 11.10;

(xix) [reserved];

(xx) to the extent in existence on the Petition Date, Investments by the Borrower or any Guarantor in any Subsidiary; and

(xxi) Investments consisting of licensing of intellectual property pursuant to joint marketing arrangements with other Persons in the ordinary course of business.

Notwithstanding anything to the contrary in this Section 11.5, any other provisions of this Agreement or any other Credit Document, (x) the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to make or maintain any Investment and (y) the Borrower will not, nor will it permit any of its Subsidiaries to, make or maintain any Investment in any Non-Debtor Subsidiary (other than, in the case of this clause (y), Investments in the Stock of such Non-Debtor Subsidiary as in existence on the Petition Date pursuant to clause (xx) of this Section 11.5).

11.6 Limitation on Restricted Payments. The Borrower will not, nor will it permit any of its Subsidiaries to, pay any dividends (other than Restricted Payments payable solely in its Stock that is not Disqualified Stock) or return any capital to its equity holders or make any other distribution, payment or delivery of property or cash to its equity holders as such, or redeem, retire, purchase or otherwise acquire, directly or indirectly, for consideration, any shares of any class of its Stock or Stock Equivalents or the Stock or Stock Equivalents of any direct or indirect parent now or hereafter outstanding, or set aside any funds for any of the foregoing purposes, or permit any of the Subsidiaries to purchase or otherwise acquire for consideration (other than in connection with an Investment permitted by Section 11.5) any Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof), now or hereafter outstanding (all of the foregoing, "Restricted Payments"); provided that any Subsidiary may pay Restricted Payments to the Borrower or any other Credit Party.

11.7 Limitation on Debt Payments and Amendments. Except as otherwise provided for herein and in the DIP Order, the Borrower shall not, and shall not permit the Subsidiaries to, (a) make any payment or prepayment on or redemption or acquisition for value (including, without limitation, by way of depositing with the trustee with respect thereto money or securities before due for the purpose of paying when due) of any Prepetition Indebtedness, (b) pay any interest on any Prepetition Indebtedness (other than the Prepetition Obligations to the extent expressly provided in the DIP Order) of such Person (whether in cash, in kind securities or otherwise), (c) terminate, amend, restate, amend and restate, modify or supplement any of the Elk Hills Power Agreements (other than any amendment contemplated by the Restructuring Support Agreement as in effect on the Closing Date, and only so long as such amendment does not increase the amount of cash distributions or the value of any other distributions payable to ECR Corporate Holdings L.P. or any other funds, investment vehicles and/or accounts managed or advised by Ares Management LLC

beyond what is provided for in the Restructuring Support Agreement as in effect on the Closing Date), (d) amend, restate, amend and restate, supplement or otherwise modify such Person's organizational documents in a manner that is materially adverse to the Lenders (in their capacities as such) or (e) amend, restate, amend and restate, supplement or otherwise modify the Junior DIP Credit Agreement in a manner that is materially adverse to the Lenders.

11.8 Negative Pledge Agreements. The Borrower will not, and will not permit any of the Subsidiaries to, enter into or permit to exist any Contractual Requirement (other than this Agreement, any other Credit Document, the Prepetition Credit Agreement or the Junior DIP Credit Agreement) that limits the ability of the Borrower or any Guarantor to create, incur, assume or suffer to exist Liens on property of such Person for the benefit of the Secured Parties with respect to the Obligations or under the Credit Documents; provided that the foregoing shall not apply to Contractual Requirements that (i) exist on the Petition Date and (to the extent not otherwise permitted by this Section 11.8) are listed on Schedule 11.8, (ii) are customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto, (iii) comprise restrictions imposed by any agreement relating to secured Indebtedness permitted pursuant to Section 11.1 to the extent that such restrictions apply only to the property or assets securing such Indebtedness, (iv) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Guarantor or in leases prohibiting Liens on retained property rights of the lessor in connection with operations of the lessee conducted on the leased property, (v) restrict the use of cash or other deposits imposed by customers under contracts entered into in the ordinary course of business, (vi) are imposed by applicable law or (vii) are restrictions regarding licenses or sublicenses by the Borrower and its Subsidiaries of intellectual property in the ordinary course of business (in which case such restriction shall relate only to such intellectual property).

11.9 Limitation on Subsidiary Distributions. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Subsidiary to pay dividends or make any other distributions to the Borrower or any Subsidiary on its Stock or with respect to any other interest or participation in, or measured by, its profits or transfer any property to the Borrower or any Subsidiary except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a) contractual encumbrances or restrictions in effect on the Petition Date that are described on Schedule 11.9 or pursuant to the Credit Documents;

(b) [reserved];

(c) purchase money obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations to the extent such restrictions are limited to restrictions on transferring the property so acquired;

(d) Requirement of Law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Borrower or any Guarantor, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence on the Petition Date (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated;

(f) [reserved];

(g) [reserved];

(h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(i) [reserved];

(j) to the extent in existence on the Petition Date, customary provisions in joint venture agreements or agreements governing property held with a common owner and other similar agreements or arrangements relating solely to such joint venture or property; and

(k) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business.

11.10 Hedge Agreements. The Borrower will not, and will not permit any Subsidiary to, enter into any Hedge Agreements with any Person other than, in the case of the Borrower or a Guarantor, a Hedge Bank and, then, only so long as:

(a) any such Hedge Agreement does not have a term greater than sixty (60) months from the date such Hedge Agreement is entered into;

(b) at all times, on a net basis, (A) the aggregate notional volume for each of natural gas (including natural gas liquids) and crude oil, calculated separately, covered by market sensitive Hedge Agreements for any month in the first year of the forthcoming five year period (other than Excluded Hedges) shall not exceed 90% of the total Proved Reserves of natural gas (including natural gas liquids) and crude oil production, calculated separately, for each such month in such forthcoming period and (B) the aggregate notional volume for each of natural gas (including natural gas liquids) and crude oil, calculated separately, covered by market sensitive Hedge Agreements for any month in each of the second through fifth years of the forthcoming five year period (other than Excluded Hedges) shall not exceed 80% of the total Proved Reserves of natural gas (including natural gas liquids) and crude oil production, calculated separately, for each such month in such forthcoming period;

(c) any such Hedge Agreement is non-speculative (including Hedge Agreements entered into to unwind or offset other permitted Hedge Agreements); and

(d) the Borrower and the Subsidiaries properly identify and consistently report such hedges, the Borrower and the Subsidiaries may utilize crude oil hedges as a substitute for hedging natural gas liquids.

It is understood that for purposes of this Section 11.10, the following Hedge Agreements shall not be deemed speculative or entered into for speculative purposes: (i) any commodity Hedge Agreement intended, at inception of execution, to hedge or manage any of the risks related to existing and or forecasted Hydrocarbon production of the Borrower or its Subsidiaries (whether or not contracted) and (ii) any Hedge Agreement intended, at inception of execution, (A) to hedge or manage the interest rate exposure associated with any existing debt securities, debt facilities or leases of the Borrower or its Subsidiaries and (B) for foreign exchange or currency exchange management.

Notwithstanding anything to the contrary in this Section 11.10, any other provisions of this Agreement or any other Credit Document, the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to enter into any Hedge Agreements with any Person.

11.11 Financial Performance Covenants.

(a) Budget Variance. As of Thursday, August 13, 2020 and on each fourth Thursday thereafter (each four-week period ending on the immediately preceding Friday prior to the delivery of the latest 13-week Projection, a "Testing Period"; provided that the initial Testing Period shall be deemed to include the full calendar week in which the Petition Date occurs), the Borrower shall not permit (i) the Total Operating Disbursements made by the Borrower and its Subsidiaries during such Testing Period (provided that if the 13-week Projection for such Testing Period has not yet been approved or deemed approved by the Administrative Agent and the Majority Lenders, then such amount shall be reduced by any Total Operating Disbursements projected for the previous Testing Period in the Budget for the previous Testing Period and not expended during the previous Testing Period) to be greater than 110% of the Total Operating Disbursements as set forth in the Budget for such Testing Period or (ii) Operating AP Payments, Payroll/Payroll Taxes (which, for the avoidance of doubt and consistent with the Budget, shall include amounts associated with the Borrower's "Key Employee Incentive Plan" and "Key Employee Retention Plan") and Elk Hills Power Capacity/Reimbursement (provided that if the 13-week Projection for such Testing Period has not yet been approved or deemed approved by the Administrative Agent and the Majority Lenders, then each such amount shall be reduced by any operating disbursements related to each such line item projected for the previous Testing Period in the Budget for the previous Testing Period and not expended during the previous Testing Period), in each case, to be greater than 115% of the amounts set forth for such line items in the Budget for such Testing Period; provided that, for purposes of calculating variance pursuant to clause (i), professional fees and expenses and fees and expenses of the Administrative Agent and the Lenders shall not be counted toward Total Operating Disbursements.

(b) Liquidity. (i) The Borrower shall not permit the 4-week Rolling Average Liquidity to be less than $50,000,000 at any time and (ii) the Borrower shall not permit Liquidity to be less than $35,000,000 as of the close of business on any day.

11.12 Transactions with Affiliates. The Borrower will not, and will not permit any of the Subsidiaries to conduct, any transaction with any of its Affiliates (other than the Borrower and the Guarantors or any entity that becomes a Guarantor as a result of such transaction) other than (a) transactions or arrangements in place as of the Petition Date (including contractual obligations in place at such time) and set forth on Schedule 11.12, (b) those approved by the Bankruptcy Court pursuant to an order in form and substance reasonably satisfactory to the Administrative Agent and the Majority Lenders or (c) to the extent such transactions are upon fair and reasonable terms no less favorable to the Borrower or such Guarantor than it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate.

11.13 Change in Business. The Borrower and its Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business of Industry Investments by the Borrower and its Subsidiaries and other business activities incidental or reasonably related to any of the foregoing.

11.14 Use of Proceeds.

(a) The Borrower shall not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use the proceeds of any Borrowing or Letter of Credit (i) to make any payment or prepayment that is prohibited under this Agreement, including any payment or prepayment in respect of Prepetition Indebtedness to the extent prohibited hereunder (other than, for the avoidance of doubt, the repayment of the Prepetition Obligations), (ii) to make any payment in settlement of any claim, action or

proceeding, before any court, arbitrator or other governmental body, (iii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (iv) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (v) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, use the proceeds of any Loans or Letter of Credit, whether directly or indirectly, (i) to challenge the validity, perfection, priority, extent or enforceability of the Obligations or the Prepetition Obligations, (ii) to investigate or assert any other claims or causes of action against the Administrative Agent, the Lead Arranger, any other agent or any Lender, or any agent or any lender under the Prepetition Credit Agreement, except as agreed by the Administrative Agent and provided in the Interim Order and the Final Order with respect to any investigation regarding the Prepetition Credit Agreement or (iii) for any act which has the effect of materially or adversely modifying or compromising the rights and remedies of the Administrative Agent or the collateral agent or the Lenders or the lenders or administrative agent with respect to the Prepetition Credit Agreement.

(c) The Borrower will not, and will not permit any of its Subsidiaries to, use the proceeds of any Loans or Letter of Credit, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

11.15 [Reserved].

11.16 Limitation on New Subsidiaries. The Borrower will not, nor will it permit any of its Subsidiaries to, form, create or acquire any new Subsidiary after the Closing Date.

11.17 Superpriority Claims. The Borrower will not, nor will it permit any of its Subsidiaries to, create or permit to exist any Superpriority Claim other than Superpriority Claims permitted by the DIP Order (including the Carve Out).

ARTICLE XII
EVENTS OF DEFAULT

12.1 Events of Default. Any of the following events shall constitute an event of default (each, an "Event of Default"):

(a) (i) the Borrower shall default in the payment when due of any principal of the Loans or (ii) the Borrower shall default in the payment when due of any interest on the Loans or any fees or of any other amounts owing hereunder or under any other Credit Document and, in the case of this clause (ii), such default shall continue for five or more days;

(b) any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made;

(c) any Credit Party shall default in the due performance or observance by it of any term, covenant or agreement contained in (i) Section 10.1(d)(ii) or 10.1(i) and such default shall continue

for five or more days and (ii) Section 10.1(e)(i), 10.5 (solely with respect to the Borrower), 10.11 or ARTICLE XI;

(d) any Credit Party shall default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 12.1(a), 12.1(b) or 12.1(c)) contained in this Agreement or any Security Document and such default shall continue unremedied for a period of at least 30 days after receipt of written notice thereof by the Borrower from the Administrative Agent;

(e) (i) the Borrower or any of the Subsidiaries shall default in any payment with respect to the Junior DIP Facility or any other Indebtedness (other than Indebtedness described in Section 12.1(a)) or Hedge Obligations in excess of $5,000,000, beyond the grace period, if any, provided in the instrument or agreement under which such Indebtedness or Hedge Obligation was created, (ii) the Borrower or any of the Subsidiaries shall be in breach or default of any other term under the documentation governing any Indebtedness or Hedge Obligations referred to in clause (i) if the effect of such breach or default is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) or the counterparty or counterparties in respect of such Hedge Obligations to cause (in each case, with the giving of notice, the passage of time or both), such Indebtedness or Hedge Obligations to become or be declared due and payable, or to be required to be prepaid, defeased or redeemed, prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be or (iii) any Indebtedness or Hedge Obligations referred to in clause (i) shall be declared to be due and payable, or shall be required to be prepaid, defeased or redeemed other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, (A) with respect to any Hedge Obligations, other than due to a termination event or equivalent event pursuant to the terms of the related Hedge Agreements and (B) other than secured Indebtedness that becomes due as a result of a Disposition (including as a result of Casualty Event) of the property or assets securing such Indebtedness permitted under this Agreement), prior to the stated maturity thereof; provided that clauses (ii) and (iii) shall not apply to any Indebtedness of any Debtor that was incurred prior to the Petition Date so long as the remedies under such Indebtedness are subject to the automatic stay applicable under Section 362 of the Bankruptcy Code;

(f) (i) any Plan shall fail to satisfy the minimum funding standard required for any plan year or part thereof or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code; any Plan or Multiemployer Plan is or shall have been terminated or is the subject of termination proceedings under ERISA (including the giving of written notice thereof); an event shall have occurred or a condition shall exist in either case entitling the PBGC to terminate any Plan or to appoint a trustee to administer any Plan (including the giving of written notice thereof); the Borrower or any ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan or a Multiemployer Plan under Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 or of ERISA or Section 4971 or 4975 of the Code (including the giving of written notice thereof); (ii) there results from any event or events set forth in clause (a) of this Section 12.1(f) the imposition of a lien, the granting of a security interest, or a liability; and (iii) such lien, security interest or liability would be reasonably likely to have a Material Adverse Effect;

(g) the Guarantee or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof and thereof) or any Guarantor or any other Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under the Guarantee;

(h) any Security Document pursuant to which the assets of the Borrower or any Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof) or any grantor thereunder or any other Credit Party shall deny or disaffirm in writing any grantor's obligations under such Security Document;

(i) one or more monetary judgments or decrees as to post-Petition Date liability or debt shall be entered against the Borrower or any of the Subsidiaries involving a liability of $5,000,000 or more in the aggregate for all such judgments and decrees for the Borrower and the Subsidiaries (to the extent not paid or covered by insurance provided by a carrier not disputing coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days after the entry thereof;

(j) a Change of Control shall occur (other than a Change of Control triggered in connection with a plan or sale approved by the Administrative Agent and the Majority Lenders);

(k) the Restructuring Support Agreement shall be amended to increase, or permit an increase in, the amount of cash distributions or the value of any other distributions payable to ECR Corporate Holdings L.P. or any other funds, investment vehicles and/or accounts managed or advised by Ares Management LLC beyond what is provided for in the Restructuring Support Agreement as in effect on the Closing Date;

(l) the entry of an order dismissing the Chapter 11 Cases or converting the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(m) the entry of an order appointing a chapter 11 trustee in the Chapter 11 Cases;

(n) the entry of an order in the Chapter 11 Cases appointing an examiner having expanded powers (beyond those set forth under Sections 1106(a)(3) and (4) of the Bankruptcy Code);

(o) the filing of any pleading by any Credit Party seeking, or otherwise consenting to, any of the matters set forth in clauses (l) through (n) above, or a Credit Party shall support or fail to promptly oppose any other party's application for entry of such order;

(p) the entry of the Final Order shall not have occurred by the Final Order Entry Deadline, or there shall be a breach by any Credit Party of any material provisions of the Interim Order (prior to entry of the Final Order) or the Final Order, or the Interim Order (prior to entry of the Final Order) or Final Order shall cease to be in full force and effect or shall have been reversed, modified, amended, stayed, vacated or subject to stay pending appeal, in the case of any modification or amendment in any respect, without the prior written consent of the Administrative Agent and Majority Lenders;

(q) the entry of an order in the Chapter 11 Cases charging any of the Collateral under Section 506(c) of the Bankruptcy Code against the Lenders under which any person takes action against the Collateral or that becomes a final non-appealable order, or the commencement of other actions that is materially adverse to the Administrative Agent, the Lead Arranger, the Lenders or their respective rights and remedies under the Facility in any of the Chapter 11 Cases or inconsistent with the Credit Documents;

(r) the entry of an order granting relief from any stay of proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed with foreclosure (or granting of a deed in lieu of foreclosure) against assets with an aggregate value in excess of $1,000,000;

(s) the entry of any post-petition judgment against any Credit Party in excess of $1,000,000;

(t) the payment of any prepetition claims (other than as permitted by the Interim Order, the Final Order or pursuant to an order entered in the Chapter 11 Cases that is supported by the Administrative Agent and, in each case, as reflected in the Budget (subject to permitted variances));

(u) any Lien securing or Superpriority Claim in respect of the Obligations shall cease to be valid, perfected (if applicable) and enforceable in all respects or to have the priority granted under the Interim Order and the Final Order, as applicable;

(v) the existence of any claims or charges, or the entry of any order of the Bankruptcy Court authorizing any claims or charges, other than in respect of the Facility and the Junior DIP Facility, entitled to superpriority under Section 364(c)(1) of the Bankruptcy Code pari passu or senior to the Facility, or there shall arise or be granted by the Bankruptcy Court (i) any claim having priority over any or all administrative expenses of the kind specified in clause (b) of Section 503 or clause (b) of Section 507 of the Bankruptcy Code (other than the Carve Out) or (ii) any Lien on the Collateral having a priority senior to or pari passu with the Liens and security interests granted herein, except for the Junior DIP Facility or as expressly provided in the Interim Order or the Final Order (but only in the event specifically consented to by the Administrative Agent), whichever is in effect;

(w) the Borrower or any other Credit Party shall obtain court authorization to commence, or shall commence, join in, assist or otherwise participate as an adverse party in any suit or other proceeding against the Administrative Agent, the Lead Arranger or any of the Lenders relating to the Facility, the DIP Order or the Prepetition Credit Agreement;

(x) failure to satisfy any of the Milestones in accordance with the terms relating to such Milestone;

(y) after the entry thereof by the Bankruptcy Court, the Confirmation Order shall cease to be in full force and effect, or any Credit Party shall fail to satisfy in full all obligations under the Facility or fail to comply in any material respect with the Confirmation Order, or the Confirmation Order shall have been revoked, remanded, vacated, reversed, rescinded or, without the reasonable consent of the Administrative Agent, modified or amended;

(z) except as otherwise consented to by the Majority Lenders, the Borrower or any other Credit Party shall have sold or otherwise disposed or all or a material portion of the Collateral pursuant to Section 364 of the Bankruptcy Code other than as permitted pursuant to a plan of reorganization or bid procedures in form and substance satisfactory to the Administrative Agent and the Majority Lenders that contemplate Payment in Full upon consummation of such sale or other disposition;

(aa) any Credit Party shall (i) contest or support a challenge to the validity or enforceability of any Credit Document or any credit document in respect of the Prepetition Credit Agreement or deny that it has any further liability thereunder or (ii) contest or support a challenge to the validity or perfection of the Liens and security interests securing the Obligations or the Prepetition Obligations;

(bb) any termination or modification of the exclusivity periods (other than any extension) set forth in Section 1121 of the Bankruptcy Code;

(cc) any payment of or grant of adequate protection with respect to any Prepetition Indebtedness (other than as expressly set forth in the DIP Order) without the consent of the Administrative Agent and the Majority Lenders and approval of the Bankruptcy Court;

(dd) an order shall have been entered by the Bankruptcy Court avoiding or requiring disgorgement by the Administrative Agent or any of the Lenders of any amounts received in respect of the Obligations;

(ee) the Credit Parties shall lose the ability to (i) utilize the gas processing and other services or (ii) purchase power or other commodities, in each case, as provided for in the Elk Hills Power Agreements;

(ff) unless otherwise approved by the Administrative Agent and the Majority Lenders, an order of the Bankruptcy Court shall be entered providing for a change in venue with respect to the Chapter 11 Cases and such order shall not be reversed or vacated within ten (10) days;

(gg) a change in the date and amount fixed for class C distributions pursuant to the Elk Hills Power Agreements (without giving effect to the exercise of rights under any ipso facto provision);

(hh) a change in the composition of the board of Elk Hills Power, LLC; or

(ii) the termination or rejection of any Elk Hills Power Agreement without the consent of the Majority Lenders.

12.2 Remedies.

(a) In every such event described in Section 12.1, and at any time thereafter, if any Event of Default shall then be continuing, subject to any remedies notice period in the DIP Order, the Administrative Agent may and, upon the written request of the Majority Lenders, shall (notwithstanding the provisions of Section 362 of the Bankruptcy Code and without application or motion to, or order from, the Bankruptcy Court but subject to any notice requirements set forth in the DIP Order), by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower or any other Credit Party, except as otherwise specifically provided for in this Agreement: (a) declare the Total Commitment terminated, whereupon the Commitment of each Lender shall forthwith terminate immediately and any fees theretofore accrued shall forthwith become due and payable without any other notice of any kind; (b) declare the principal of and any accrued interest and fees in respect of any or all Loans and any or all Obligations owing hereunder and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; (c) terminate any Letter of Credit that may be terminated in accordance with its terms; and/or (d) direct the Borrower to pay to the Administrative Agent at the Administrative Agent's Office such additional amounts of cash, to be held as security for the Borrower's respective reimbursement obligations for Drawings that may subsequently occur thereunder, equal to the aggregate Stated Amount of all Letters of Credit issued and then outstanding. In addition, after the occurrence and during the continuance of an Event of Default and subject to any remedies notice period in the DIP Order, the Administrative Agent and the Lenders will have all other rights and remedies available at law and equity.

(b) Subject to the terms of the DIP Order, any amount received by the Administrative Agent from any Credit Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement shall be applied:

(i) first, to payment or reimbursement of that portion of the Obligations constituting fees, expenses and indemnities payable to the Administrative Agent in each Person's capacity as such;

(ii) second, to the Secured Parties that are Non-Affiliated Lenders, an amount equal to all Obligations due and owing to them on the date of distribution and, if such moneys shall be insufficient to pay such amounts in full, then ratably (without priority of any one over any other) to such Secured Parties in proportion to the unpaid amount thereof;

(iii) third, *pro rata* to any other Obligations then due and owing to Non-Affiliated Lenders;

(iv) fourth, (A) to the Secured Parties that are Affiliated Lenders, an amount equal to all Obligations due and owing to them on the date of distribution and, if such moneys shall be insufficient to pay such amounts in full, then ratably (without priority of any one over any other) to such Secured Parties in proportion to the unpaid amount thereof and (B) *pro rata* to any other Obligations then due and owing to Affiliated Lenders; and

(v) fifth, any surplus then remaining, after all of the Obligations then due shall have been indefeasibly paid in full in cash, shall be paid to the Borrower or its successors or assigns or to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may award.

Notwithstanding the foregoing, amounts received from the Borrower or any Credit Party that is not an "eligible contract participant" under the Commodity Exchange Act shall not be applied to any Excluded Hedge Obligations (it being understood, that in the event that any amount is applied to Obligations other than Excluded Hedge Obligations as a result of this clause, the Administrative Agent shall make such adjustments as it determines are appropriate to distributions pursuant to clause second above from amounts received from "eligible contract participants" under the Commodity Exchange Act to ensure, as nearly as possible, that the proportional aggregate recoveries with respect to Obligations described in clause second above by the holders of any Excluded Hedge Obligations are the same as the proportional aggregate recoveries with respect to other Obligations pursuant to clause second above).

(c) To the extent any securities or debt instruments are distributed, issued or assigned to the Lenders (or to the Administrative Agent on behalf of the Lenders) on account of or in full or partial satisfaction of the Obligations, including any securities or debt instruments distributed to or on behalf of the Lenders as part of an insolvency proceeding of a Credit Party or issued to or on behalf of the Lenders by an acquisition vehicle established to credit bid the Obligations for the assets of the Credit Party, unless otherwise agreed by the Majority Lenders, (i) the securities or debt instruments issued or distributed to or on account of Non-Affiliated Lenders shall have priority in right of payment over the securities or debt instruments issued or distributed to or on account of Affiliated Lenders in a manner consistent with the foregoing clause (b) of this Section 12.2 and (ii) to the extent such securities or debt instruments do not incorporate such payment priority, the Affiliated Lenders shall turnover all proceeds or distributions from or on account of such securities or debt instruments to the Administrative Agent and the Administrative Agent shall apply such amounts in the order of priority set forth in clause (b) of this Section 12.2.

(d) Unless until the Obligations described in clauses first through fifth of Section 12.2(b) are indefeasibly paid in full and in cash in accordance with such priorities, any Collateral, proceeds thereof or other amount received by a Non-Affiliated Lenders on account of or in satisfaction of its Obligations shall be segregated and held in trust for the benefit of, and promptly turned over to, the Administrative Agent along with all necessary endorsements and the Administrative Agent shall apply such Collateral, proceeds or other amounts in accordance with Section 12.2(b).

(e) Without limiting the generality of the foregoing, this Section 12.2 is intended to constitute and shall be deemed to constitute a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Code and is intended to be and shall be interpreted to be enforceable to the maximum extent permitted pursuant to applicable nonbankruptcy law. Amounts applied pursuant to clauses first through fifth of Section 12.2(b) are to be applied, for the avoidance of doubt, in the order required by such clauses until the indefeasible payment in full in cash of the applicable Obligations referred to in the applicable clause.

ARTICLE XIII
THE ADMINISTRATIVE AGENT

13.1 Appointment.

(a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Article XIII (other than Section 13.1(b) with respect to the Lead Arranger and Section 13.10 with respect to the Borrower) are solely for the benefit of the Administrative Agent and the Lenders, and the Borrower shall not have rights as third party beneficiary of any such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent.

(b) The Lead Arranger, in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Article XIII.

13.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents, sub-agents or attorneys-in-fact selected by it in the absence of gross negligence or willful misconduct (as determined in the final, non-appealable judgment of a court of competent jurisdiction).

13.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its Related Parties shall be (a) liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person's own gross negligence or willful misconduct, as determined in the final, non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein (IT BEING THE INTENTION OF THE PARTIES HERETO THAT THE ADMINISTRATIVE AGENT AND ANY RELATED PARTIES SHALL, IN ALL CASES, BE INDEMNIFIED FOR ITS ORDINARY, COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE)) or (b) responsible in any manner to any of the Lenders or any participant for any recitals, statements, representations or warranties made by any of the Borrower, any other Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), or the perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of the Borrower or any other Credit Party to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof. The Administrative Agent shall not be under any obligation to any Lender or

any Letter of Credit Issuer to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party.

13.4 Reliance. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or instruction believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Majority Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans; provided that the Administrative Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Credit Document or applicable Requirements of Law. For purposes of determining compliance with the conditions specified in Article VI and Article VIII on the Closing Date, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

13.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Majority Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

13.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its Related Parties has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Borrower or any other Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender or any Letter of Credit Issuer. Each Lender and each Letter of Credit Issuer represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and each other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue

to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower and any other Credit Party. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of the Borrower or any other Credit Party that may come into the possession of the Administrative Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

13.7 No Other Duties, Etc. Anything herein to the contrary notwithstanding, the Lead Arranger shall not have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an Issuing Bank hereunder.

13.8 Lender Reimbursement. The Lenders agree to pay to the Administrative Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective portions of the Commitments or Loans, as applicable, outstanding in effect on the date on which payment is sought (or, if payment is sought after Payment in Full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all Liabilities and related costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Commitments, the Loans, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable to the Administrative Agent for the payment of any portion of such Liabilities or related costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction; provided, further, that no action taken or not taken in accordance with the directions of the Majority Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 13.8. In the case of any Proceeding giving rise to any Liabilities or related costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans), this Section 13.8 applies whether any such Proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower; provided that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto. If any payment furnished to the Administrative Agent for any purpose shall, in the opinion of the Administrative Agent, be insufficient or become impaired, the Administrative Agent may call for additional payments and cease, or not commence, to do the acts in question until such additional payment is furnished; provided that in no event shall this sentence require any Lender to make payments to the Administrative Agent in connection with any Liability or related cost, expense or disbursement in excess of such Lender's *pro rata* portion thereof; provided, further, this sentence shall not be deemed to require any Lender to make payments to the Administrative Agent in connection with any Liability or related cost, expense or disbursement resulting

from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section 13.8 shall survive Payment in Full.

13.9 Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower and any other Credit Party as though the Administrative Agent were not the Administrative Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

13.10 Successor Agent. The Administrative Agent may at any time give notice of its resignation to the Lenders, the Letter of Credit Issuer and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Default under Section 12.1(a) is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If, in the case of the resignation of the Administrative Agent, no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the Administrative Agent gives notice of its resignation, then the Administrative Agent may on behalf of the Lenders and the Letter of Credit Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above. Upon the acceptance of a successor's appointment as the Administrative Agent hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Majority Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower (following the effectiveness of such appointment) to the successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Credit Documents, the provisions of this Article XIII (including Section 13.8) and Section 14.5 shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as the Administrative Agent.

Any resignation of any Person as Administrative Agent pursuant to this Section shall also constitute its resignation as Letter of Credit Issuer. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Letter of Credit Issuer, (b) the retiring Letter of Credit Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Credit Documents, and (c) the successor Letter of Credit Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Letter of Credit Issuer to effectively assume the obligations of the retiring Letter of Credit Issuer with respect to such Letters of Credit.

13.11 Withholding Tax. To the extent required by any applicable Requirement of Law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction

asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because

such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Credit Party and without limiting the obligation of any applicable Credit Party to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including penalties, additions to Tax and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due to the Administrative Agent under this Section 13.11. For the avoidance of doubt, for purposes of this Section 13.11, the term "Lender" includes any Letter of Credit Issuer.

13.12 Security Documents and Guarantee. Each Secured Party hereby further authorizes the Administrative Agent, on behalf of and for the benefit of Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Collateral and the Security Documents. Subject to Section 14.1 and 14.17, without further written consent or authorization from any Secured Party, the Administrative Agent may (a) execute any documents or instruments necessary in connection with a Disposition of assets permitted by this Agreement, (b) release any Lien encumbering any item of Collateral that is the subject of such Disposition of assets or with respect to which Majority Lenders (or such other Lenders as may be required to give such consent under Section 14.1) have otherwise consented or (c) release any Guarantor from the Guarantee with respect to which Majority Lenders (or such other Lenders as may be required to give such consent under Section 14.1) have otherwise consented.

13.13 Right to Realize on Collateral and Enforce Guarantee. Anything contained in any of the Credit Documents to the contrary notwithstanding, the Borrower, the Administrative Agent and each Secured Party hereby agree that (a) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee; it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights and remedies under the Security Documents may be exercised solely by the Administrative Agent, and (b) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Majority Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale or other disposition.

13.14 Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such judicial proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the

Lenders and the Administrative Agent and their respective Related Parties and counsel, to the extent due under Section 14.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, to the extent due under Section 14.5(a).

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Indebtedness or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

13.15 Credit Bidding. The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Majority Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Credit Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Majority Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Majority Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Majority Lenders contained in Section 14.1 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason

(as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

13.16 Certain ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless Section (a)(i) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in Section (a)(iv), such Lender further (i) represents and warrants, as of the date such Person became a Lender party hereto, to, and (ii) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that neither the Administrative Agent

nor any of its Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related to hereto or thereto).

(c) The Administrative Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Credit Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Credit Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

13.17 Posting of Communications.

(a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Letter of Credit Issuers by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Closing Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the Letter of Credit Issuers and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there are confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Letter of Credit Issuers and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". NONE OF THE ADMINISTRATIVE AGENT, THE LEAD ARRANGER OR ANY OF THEIR RELATED PARTIES WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE

ADMINISTRATIVE AGENT, THE LEAD ARRANGER OR ANY OF THEIR RELATED PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, THE LEAD ARRANGER OR ANY OF THEIR RELATED PARTIES HAVE ANY LIABILITY TO ANY CREDIT PARTY, ANY LENDER, ANY LETTER OF CREDIT ISSUER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY CREDIT PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

(d) Each Lender and each Letter of Credit Issuer agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender or Letter of Credit Issuer for purposes of the Credit Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or such Letter of Credit Issuer's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders, each of the Letter of Credit Issuers and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies and, to the extent such Communications constitute Confidential Information, in accordance with Section 14.16.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Letter of Credit Issuer to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

ARTICLE XIV
MISCELLANEOUS

14.1 Amendments, Waivers and Releases.

(a) Except as expressly set forth in this Agreement (including, for the avoidance of doubt, Section 2.17), neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of this Section 14.1. The Majority Lenders may, or, with the written consent of the Majority Lenders, the Administrative Agent shall, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive in writing, on such terms and conditions as the Majority Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that no such waiver and no such amendment, supplement or modification shall (i) forgive or reduce any portion of any Loan or reduce the stated rate (it being understood that only the consent of the Majority Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the Default Rate or amend Section 2.8(e)), or forgive any portion, or extend the date for the payment, of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the Maturity Date or the final expiration date of any Lender's Commitment (provided that

any Lender, upon the request of the Borrower, may extend the final expiration date of its Commitment without the consent of any other Lender, including the Majority Lenders) or extend the final expiration date of any Letter of Credit beyond the L/C Maturity Date, or increase the amount of the Commitment of any Lender (provided that, any Lender, upon the request of the Borrower, may increase the amount of its Commitment without the consent of any other Lender, including the Majority Lenders), or make any Loan, interest, fee or other amount payable in any currency other than Dollars, in each case without the written consent of each Lender directly and adversely affected thereby, or (ii) amend, modify or waive any provision of this Section 14.1, or amend or modify any of the provisions of Section 14.8(a) to the extent it would alter the ratable allocation of payments thereunder, or reduce the percentages specified in the definition of the term "Majority Lenders", consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 11.3) or alter the order of application set forth in Section 12.2 or modify any definition used in such final paragraph if the effect thereof would be to alter the order of payment specified therein, in each case without the written consent of each Lender directly and adversely affected thereby, or (iii) amend, modify or waive any provision of Article XIII without the written consent of the then-current Administrative Agent, as applicable, or any other former Administrative Agent to whom Article XIII then applies in a manner that directly and adversely affects such Person, or (iv) amend, modify or waive any provision of Article III with respect to any Letter of Credit without the written consent of each Letter of Credit Issuer to whom Article III then applies in a manner that directly and adversely affects such Person, or (v) [reserved], or (vi) release all or substantially all of the value of the guarantees made by the Guarantors under the Guarantee (except as expressly permitted by the Guarantee or this Agreement) without the prior written consent of each Lender, or (vii) release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents or this Agreement) without the prior written consent of each Lender, or (viii) amend Section 2.9 so as to permit Interest Period intervals greater than three months without regard to availability to Lenders, without the written consent of each Lender directly and adversely affected thereby, or (ix) affect the rights or duties of, or any fees or other amounts payable to the Administrative Agent under this Agreement or any other Credit Document without the prior written consent of the Administrative Agent, or (x) amend, modify or waive any provision of ARTICLE VII or ARTICLE VIII without the written consent of each Lender; provided, further, that any provision of this Agreement or any other Credit Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency so long as, in each case, the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Majority Lenders stating that the Majority Lenders object to such amendment. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrower, such Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

(b) Notwithstanding anything in Section 12.2 or the definition of "Majority Lenders" to the contrary, for purposes of determining whether the Majority Lenders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Credit Document or any departure by any Credit Party therefrom (unless the action in question affects any Affiliated Lenders' economics or rights and obligations under the Credit Documents in a disproportionately adverse manner than its effect on the other Lenders), or any plan of reorganization pursuant to the Bankruptcy Code, (ii) otherwise acted on any matter related to any Credit Document, or (iii) directed

or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Credit Document, no Affiliated Lender shall have any right to consent (or not consent), otherwise act or direct or require the Administrative Agent or any Lender to take (or refrain from taking) any such action and:

(i) all Commitments, Loans and participation interests in Letters of Credit held by any Affiliated Lenders shall be deemed to be not outstanding for all purposes of calculating whether the Majority Lenders have taken any actions; and

(ii) all Commitments, Loans and participation interests in Letters of Credit held by any Affiliated Lenders shall be deemed to be not outstanding for all purposes of calculating whether all Lenders have taken any action unless the action in question affects such Affiliated Lender's economics or rights and obligations under the Credit Documents in a disproportionately adverse manner than its effect on Non-Affiliated Lenders.

14.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to the Borrower, the Administrative Agent or the Letter of Credit Issuer, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 14.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrower, the Administrative Agent and the Letter of Credit Issuer.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii)(A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three (3) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

14.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Requirements of Law.

14.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

14.5 Payment of Expenses; Limitation of Liability; Indemnification.

(a) Expenses. The Borrower agrees (i) to pay or reimburse the Administrative Agent and the Lead Arranger for all of their reasonable and documented out-of-pocket costs and expenses (with respect to attorney costs, limited to reasonable fees, disbursements and other charges of one primary counsel to the Administrative Agent and the Lead Arranger) incurred in connection with the preparation and execution and delivery of, and any amendment, waiver, supplement or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of the Senior DIP Advisors, (ii) to pay or reimburse the Administrative Agent and each Lender for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of the Senior DIP Advisors, (iii) all reasonable out-of-pocket expenses incurred by any Letter of Credit Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iv) to pay or reimburse each Lender, Letter of Credit Issuer and the Administrative Agent for any and all recording and filing fees.

(b) Limitation of Liability. To the extent permitted by applicable law (i) the Borrower shall not assert, and the Borrower hereby waives, any claim against the Administrative Agent, the Lead Arranger, any Letter of Credit Issuer and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any Liabilities arising from the use by unintended recipients of information or other materials (including, without limitation, any personal data) distributed by any Lender-Related Person through telecommunications, electronic or other information transmission systems (including the Internet) in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby, and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this Section 14.5(b) shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee, as provided in Section 14.5(c), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) Indemnity. The Borrower shall indemnify the Administrative Agent, the Lead Arranger, each Lender, each Letter of Credit Issuer and their respective Related Parties (each such Person being called an "Indemnitee") from and against any and all Liabilities or Proceedings and related costs, expenses or disbursements of any kind or nature whatsoever, whether or not such Proceedings are brought by the Borrower, any of its Related Parties or any other third Person (with respect to attorney costs, limited to the reasonable and documented fees, disbursements and other charges of one primary counsel for all such Persons, taken as a whole, and, if necessary, of a single firm of local counsel in each appropriate jurisdiction for all such Persons, taken as a whole (unless there is an actual or perceived conflict of interest in which case each such Person may, with the consent of the Borrower (not to be unreasonably withheld or delayed) retain its own counsel)), with respect to the Chapter 11 Cases or the execution, delivery, enforcement, performance and administration of this Agreement, the other Credit Documents and any such other documents, including, without limitation, any of the foregoing relating to the violation of, noncompliance with or liability under, any applicable Environmental Law (other than by such indemnified person or any of its Related Parties (other than any trustee or advisor)) or to any actual or alleged presence, release or threatened release of Hazardous Materials involving or attributable to the operations of the Borrower, any of its Subsidiaries or any of the Oil and Gas Properties (all the foregoing in this clause (c), collectively, the "Indemnified Liabilities"); provided that the Borrower shall have no obligation hereunder to the Indemnitees

with respect to Indemnified Liabilities to the extent it has been determined by a final non-appealable judgment of a court of competent jurisdiction to have resulted from (i) the gross negligence or willful misconduct of such Indemnitee (IT BEING THE INTENTION OF THE PARTIES HERETO THAT EACH INDEMNITEE SHALL, IN ALL CASES, BE INDEMNIFIED FOR ITS ORDINARY COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE) or (ii) Proceedings not arising from any act or omission by the Borrower or its Affiliates, brought by an Indemnitee against any other Indemnitee (other than Proceedings involving claims against the Administrative Agent in its capacity as such). This Section 14.5(c) shall not apply with respect to any claims for Taxes which shall be governed exclusively by Section 5.4 and, to the extent set forth therein, Sections 2.10 and 3.5.

(d) Payments. All amounts payable under this Section 14.5 shall be paid within 10 Business Days of receipt by the Borrower of an invoice relating thereto setting forth such expense in reasonable detail.

(e) Survival. The agreements in this Section 14.5 shall survive Payment in Full.

14.6 Successors and Assigns; Participations and Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Letter of Credit Issuer that issues any Letter of Credit), except that (i) except as expressly permitted by Section 11.3, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 14.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Letter of Credit Issuer that issues any Letter of Credit), Participants (to the extent provided in clause (c) of this Section 14.6) and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below, any Lender may at any time assign to one or more assignees (other than the Borrower, its Subsidiaries, their Affiliates, or any natural person) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans (including participations in L/C Obligations) at the time owing to it) with the prior written consent (such consent not be unreasonably withheld or delayed) of:

(A) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for assignments in respect of the Facility if such assignment is to a Person that is a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(B) each Letter of Credit Issuer.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, (1) the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000

and increments of $1,000,000 in excess thereof and (2) after giving effect to such assignment, the amount of the remaining Commitment or Loans of the assigning Lender (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000, in each case unless each Letter of Credit Issuer and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed); provided that contemporaneous assignments to a single assignee made by Affiliates of Lenders and related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee in the amount of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire; and

(E) each assignment of any Lender's Commitment and/or New Money Loans (including any portion thereof) shall include an assignment in the same proportion of such Lender's Rollup Loans.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(v) of this Section 14.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 3.5, 5.4 and 14.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 14.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section 14.6.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and stated interest amounts) of the Loans and L/C Obligations and any payment made by the Letter of Credit Issuer under any Letter of Credit owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Further, the Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Letter of Credit Issuer and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Letter of Credit Issuer and each other Lender at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section 14.6 (unless waived) and any written consent to such assignment required by clause (b) of this Section 14.6, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register.

(c) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Letter of Credit Issuer, sell participations to one or more banks or other entities other than the Borrower or any Subsidiary of the Borrower (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Letter of Credit Issuer and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i) or (ii) of the proviso to Section 14.1 that affects such Participant, provided that the Participant shall have no right to consent to any modification to the percentages specified in the definition of the term "Majority Lenders". Subject to clause (c)(ii) of this Section 14.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11, 3.5 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 14.6, including the requirements of clause (e) of Section 5.4). To the extent permitted by Requirements of Law, each Participant also shall be entitled to the benefits of Section 14.8(b) as though it were a Lender; provided such Participant agrees to be subject to Section 14.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11, 3.5 or 5.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld); provided that the Participant shall be subject to the provisions in Section 2.12 as if it were an assignee under clauses (a) and (b) of this Section 14.6. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and related interest amounts) of each participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(d) Any Lender may, without the consent of the Borrower, the Administrative Agent or the Letter of Credit Issuer at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure

obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section 14.6 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In order to facilitate such pledge or assignment or for any other reason, the Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made its initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit F evidencing the Loans owing to such Lender.

(e) Subject to Section 14.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

14.7 Replacements of Lenders under Certain Circumstances.

(a) The Borrower shall be permitted to replace any Lender that (i) requests reimbursement for amounts owing pursuant to Section 2.10, 3.5 or 5.4, (ii) is affected in the manner described in Section 2.10(a)(ii) and as a result thereof any of the actions described in such Section is required to be taken, (iii) becomes a Defaulting Lender or (iv) [reserved], in each case, with a replacement bank, lending institution or other financial institution; provided that (A) such replacement does not conflict with any Requirement of Law, (B) no Event of Default under Section 12.1(a) shall have occurred and be continuing at the time of such replacement, (C) the replacement bank or institution shall purchase, at par, all Loans and the Borrower shall pay all other amounts (other than any disputed amounts), pursuant to Section 2.10, 3.5 or 5.4, as the case may be) owing to such replaced Lender prior to the date of replacement, (D) the replacement bank or institution, if not already a Lender, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent (and if a Commitment is being assigned, the Letter of Credit Issuer), (E) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 14.6(b) (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein) and (F) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) [Reserved].

(c) Notwithstanding anything herein to the contrary, each party hereto agrees that any assignment pursuant to the terms of this Section 14.7 may be effected pursuant to an Assignment and Acceptance executed by the Borrower, the Administrative Agent and the assignee and that the Lender making such assignment need not be a party thereto.

14.8 Adjustments; Set-off.

(a) If any Lender (a "Benefited Lender") shall at any time receive any payment in respect of any principal of or interest on all or part of the Loans made by it, or the participations in Letter of Credit Obligations held by it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such Benefited Lender shall (i)

notify the Administrative Agent of such fact, and (ii) purchase for cash at face value from the other Lenders a participating interest in such portion of each such other Lender's Loans, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably in accordance with the aggregate principal of and accrued interest on their respective Loans and other amounts owing them; provided that, (A) if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest and (B) the provisions of this paragraph shall not be construed to apply to (1) any payment made by the Borrower or any other Credit Party pursuant to and in accordance with the express terms of this Agreement and the other Credit Documents, (2) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans, Commitments or participations in Drawings to any assignee or participant or (3) any disproportionate payment obtained by a Lender as a result of the extension by Lenders of the maturity date or expiration date of some but not all Loans or Commitments or any increase in the Applicable Margin in respect of Loans or Commitments of Lenders that have consented to any such extension. Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under Requirements of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Credit Party rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by Requirements of Law and notwithstanding the provisions of Section 362 of the Bankruptcy Code and without application or motion to, or order from, the Bankruptcy Court, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable Requirements of Law, upon any amount becoming due and payable by the Borrower hereunder or under any Credit Document (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower (and the Credit Parties, if applicable) and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

14.9 Counterparts; Electronic Execution. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Credit Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 14.2), certificate, request, statement, disclosure or authorization related to this Agreement, any other Credit Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Credit Document or such Ancillary Document, as applicable. The words "execution,"

"signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Credit Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Credit Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower and each Credit Party hereby (i) agrees that, for all purposes, including in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Credit Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Credit Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Credit Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Credit Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Credit Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower and/or any Credit Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

14.10 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14.11 Integration. This Agreement and the other Credit Documents represent the agreement of the Borrower, the Guarantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Guarantors, the Administrative Agent nor any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

14.12 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.

14.13 Submission to Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, subject to the jurisdiction of the Bankruptcy Court, to the exclusive general jurisdiction of the courts of the State of New York, County of New York, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 14.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 14.2;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by Requirements of Law or shall limit the right to sue in any other jurisdiction;

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 14.13 any special, exemplary, punitive or consequential damages; and

(f) agrees that a final, non-appealable judgment in any action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

14.14 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between the Borrower and the other Credit Parties, on the one hand, and the Administrative Agent and the Lenders, on the other hand, and the Borrower and the other Credit Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each of the Administrative Agent and the Lenders is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary for any of the Borrower, any other Credit Parties or any of their respective Affiliates, equity holders, creditors or employees or any other Person; (iii) neither the Administrative Agent, the Lead Arranger, nor any Lender has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower or any other Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent, the Lead Arranger or any Lender has advised or is currently

advising any of the Borrower, the other Credit Parties or their respective Affiliates on other matters) and none of the Administrative Agent, the Lead Arranger or any Lender has any obligation to any of the Borrower, the other Credit Parties or their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; (iv) the Borrower, the other Credit Parties and their respective Affiliates will not assert any claim based on alleged breach of fiduciary duty; (v) the Administrative Agent and its Affiliates and each Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its respective Affiliates, and none of the Administrative Agent or any Lender has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (vi) neither the Administrative Agent nor any Lender has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. The Borrower hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent with respect to any breach or alleged breach of agency or fiduciary duty; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Administrative Agent and the Lenders or among the Borrower, on the one hand, and the Administrative Agent or any Lender, on the other hand.

14.15 WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT, EACH LETTER OF CREDIT ISSUER AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

14.16 Confidentiality. The Administrative Agent, each other Agent, any Letter of Credit Issuer and each other Lender shall hold all non-public information furnished by or on behalf of the Borrower or any of its Subsidiaries in connection with such Lender's evaluation of whether to become a Lender hereunder or obtained by such Lender, the Administrative Agent, any Letter of Credit Issuer or such other Agent pursuant to the requirements of this Agreement ("Confidential Information"), confidential in accordance with its customary procedure for handling confidential information of this nature and in any event may make disclosure (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information, are instructed to keep such Confidential Information confidential and agree to keep such Confidential Information confidential on the same terms as provided herein) (b) as required or requested by any Governmental Authority, self-regulatory agency or representative thereof or pursuant to legal process or applicable Requirements of Law, (c) to any other party hereto (d) to such Lender's or the Administrative Agent's, any Letter of Credit Issuer's or such other Agent's attorneys, professional advisors, independent auditors, trustees or Affiliates, in each case who need to know such information in connection with the administration of the Credit Documents and are informed of the confidential nature of such information, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder (f) to an investor or prospective investor in a securitization that agrees its access to information regarding the Credit Parties, the Loans and the Credit Documents is solely for purposes of evaluating an investment in a securitization and who agrees to treat such information as confidential, (g) to a trustee, collateral manager, servicer, backup servicer, noteholder or secured party in connection with the administration, servicing and reporting on the assets serving as collateral for a securitization and who agrees to treat such information as confidential, (h) to a nationally recognized ratings agency that requires access to information regarding the Credit Parties, the Loans and Credit Documents in connection with ratings issued with respect to a securitization, (i) to the CUSIP Service Bureau or any similar agency in connection with the issuance and

monitoring of CUSIP numbers with respect to the Facility, (j) subject to an agreement containing provisions substantially the same as those of this Section 14.16, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (y) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (k) with the consent of the Borrower and (l) to the extent such non-public information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender, Letter of Credit Issuer, such other Agent or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower; provided that unless specifically prohibited by applicable Requirements of Law, each Lender, the Administrative Agent, any Letter of Credit Issuer and each other Agent shall endeavor to notify the Borrower (without any liability for a failure to so notify the Borrower) of any request made to such Lender, the Administrative Agent, any Letter of Credit Issuer or such other Agent, as applicable, by any governmental, regulatory or self-regulatory agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information; provided, further that in no event shall any Lender, the Administrative Agent, any Letter of Credit Issuer or any other Agent be obligated or required to return any materials furnished by the Borrower or any Subsidiary. In addition, each Lender, the Administrative Agent and each other Agent may provide Confidential Information to prospective Transferees or to any pledgee referred to in Section 14.6 or to prospective direct or indirect contractual counterparties in Hedge Agreements to be entered into in connection with Loans made hereunder as long as such Person is advised of and agrees to be bound by the provisions of this Section 14.16 or confidentiality provisions at least as restrictive as those set forth in this Section 14.16.

14.17 Release of Collateral and Guarantee Obligations.

(a) The Lenders hereby irrevocably agree that the Liens granted to the Administrative Agent by the Credit Parties on any Collateral shall be automatically released (i) in full, as set forth in clause (b) below, (ii) upon the Disposition of such Collateral as part of a Disposition permitted hereunder to any Person other than a Subsidiary, to the extent such Disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on a certificate to that effect provided to it by any Credit Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Majority Lenders (or such other percentage of the Lenders whose consent may be required in accordance with Section 14.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the Guarantee (in accordance with the second succeeding sentence and of the terms of the Guarantee) resulting from a transaction permitted hereunder, (vi) [reserved] and (vii) as required by the Administrative Agent to effect any Disposition of Collateral in connection with any exercise of remedies of the Administrative Agent pursuant to the Security Documents. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any Disposition, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Credit Documents. Additionally, the Lenders hereby irrevocably agree that (x) the Guarantors shall be released from the Guarantees upon consummation of any transaction permitted hereunder resulting in such Subsidiary ceasing to constitute a Subsidiary and (y) any Collateral that is Excluded Property shall be automatically released upon the written request of the Borrower to the Administrative Agent. For the avoidance of doubt, except as expressly set forth in this Agreement, the consummation of any transaction resulting in a Subsidiary ceasing to constitute a Subsidiary or that would otherwise result in the release of a Guarantor from its Guarantee is not permitted under this Agreement or any other Credit Document. The Lenders hereby authorize

the Administrative Agent to execute and deliver any instruments, documents, and agreements necessary or desirable to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender. Any representation, warranty or covenant contained in any Credit Document relating to any such Collateral or Guarantor shall no longer be deemed to be repeated.

(b) Notwithstanding anything to the contrary contained herein or any other Credit Document, upon Payment in Full, upon request of the Borrower, the Administrative Agent shall (without notice to, or vote or consent of, any Secured Party) take such actions as shall be required to release its security interest in all Collateral, and to release all obligations under any Credit Document, whether or not on the date of such release there may be any (i) Hedge Obligations in respect of any Secured Hedge Agreements, (ii) Cash Management Obligations in respect of any Secured Cash Management Agreements and (iii) any contingent or indemnification obligations not then due. Any such release of Obligations shall be deemed subject to the provision that such Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

14.18 [Reserved].

14.19 USA PATRIOT Act. The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow the Administrative Agent and such Lender to identify each Credit Party in accordance with the Patriot Act.

14.20 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

14.21 Reinstatement. This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

14.22 Disposition of Proceeds. The Security Documents contain an assignment by the Borrower and/or the Guarantors unto and in favor of the Administrative Agent for the benefit of the Lenders of all of

the Borrower's or each Guarantor's interest in and to their as-extracted collateral in the form of production and all proceeds attributable thereto which may be produced from or allocated to the Mortgaged Property. The Security Documents further provide in general for the application of such proceeds to the satisfaction of the Obligations described therein and secured thereby. Notwithstanding the assignment contained in such Security Documents, until the occurrence of an Event of Default, (a) the Administrative Agent and the Lenders agree that they will neither notify the purchaser or purchasers of such production nor take any other action to cause such proceeds to be remitted to the Administrative Agent or the Lenders, but the Lenders will instead permit such proceeds to be paid to the Borrower and its Subsidiaries and (b) the Lenders hereby authorize the Administrative Agent to take such actions as may be necessary to cause such proceeds to be paid to the Borrower and/or such Subsidiaries.

14.23 Collateral Matters; Hedge Agreements. The benefit of the Security Documents and of the provisions of this Agreement relating to any Collateral securing the Obligations shall also extend to and be available on a *pro rata* basis to any Person (a) under any Secured Hedge Agreement, in each case, after giving effect to all netting arrangements relating to such Hedge Agreements or (b) under any Secured Cash Management Agreement; provided that, with respect to any Secured Hedge Agreement or Secured Cash Management Agreement that remains secured after the Hedge Bank thereto or the Cash Management Bank thereunder is no longer a Lender or an Affiliate of a Lender, the provisions of Article XIII shall also continue to apply to such Hedge Bank or Cash Management Bank in consideration of its benefits hereunder and each such Hedge Bank or Cash Management Bank, as applicable, shall, if requested by the Administrative Agent, promptly execute and deliver to the Administrative Agent all such other documents, agreements and instruments reasonably requested by the Administrative Agent to evidence the continued applicability of the provisions of Article XIII. No Person shall have any voting rights under any Credit Document solely as a result of the existence of obligations owed to it under any such Secured Hedge Agreement or Secured Cash Management Agreement.

14.24 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any the applicable Resolution Authority.

14.25 Acknowledgement Regarding Any Supported QFCs. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

14.26 Affiliated Lenders. In case of any Loans or Commitments held by an Affiliated Lender (and without limiting Section 14.6(b)(i) restricting assignments to Affiliates of the Borrower or its Subsidiaries), (1) each Affiliated Lender shall acknowledge and agree that they are each "insiders" under Section 101(31) of the Bankruptcy Code and, as such, the claims associated with the Loans and Commitments owned by it shall not be included in determining whether the applicable class of creditors holding such claims has voted to accept a proposed plan for purposes of Section 1129(a)(10) of the Bankruptcy Code unless the plan in question affects any Affiliated Lender's economics or rights and obligations in a disproportionately adverse manner than its effect on the other Lenders in a manner inconsistent with this Agreement, and (2) such Affiliated Lender (w) will not receive information, reports and other materials prepared by the Administrative Agent or its consultants or advisors and shared with the Administrative Agent and the Lenders who are not Affiliated Lenders other than notices of prepayments and other administrative notices in respect of its Loans or Commitments required to be delivered to Lenders, (x) will not be permitted to attend or participate in (or receive any notice of) Lender meetings or conference calls, (y) will not be entitled to challenge the Administrative Agent's and the Lenders' attorney-client privilege as a result of their status as an Affiliated Lender and (z) will not be entitled to receive advice of counsel to the Administrative Agent, any other Lender, financial advisors or another other consultants or advisors to the Administrative Agent or another Lender.

14.27 Material Non-Public Information.

(a) **EACH LENDER ACKNOWLEDGES THAT CONFIDENTIAL INFORMATION AS DEFINED IN SECTION 14.16 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE**

CREDIT PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(b) **ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE CREDIT PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.**

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

CALIFORNIA RESOURCES CORPORATION, as the Borrower

By: /s/ Marshall D. Smith

Name: Marshall D. Smith

Title: Senior Executive Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A., as Administrative Agent, Letter of Credit Issuer and Lender

By: /s/ Sandeep Parihar

Name: Sandeep Parihar

Title: Executive Director

Signature Page
CRC Senior Secured Superpriority DIP Credit Agreement

FORM OF BUDGET

[See attached.]

Initial 13 Week Budget & Monthly DIP Forecast

July 9, 2020

PRIVILEGED AND CONFIDENTIAL
SUBJECT TO MATERIAL CHANGE
FOR DISCUSSION PURPOSES ONLY

Project Compass **Initial 13 Week Budget**

Consolidated Weekly Cash Flow Forecast

	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	
Week	Wk-1	Wk-2	Wk-3	Wk-4	Wk-5	Wk-6	Wk-7	Wk-8	Wk-9	Wk-10	Wk-11	Wk-12	Wk-13	Wk 1 - 13
Week Ending ==>	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug	4-Sep	11-Sep	18-Sep	25-Sep	2-Oct	9-Oct	Total
Cash Inflows														
Total Receipts	**$ 7**	**$ 98**	**$ 34**	**$ 3**	**$ 7**	**$ 83**	**$ 16**	**$ 23**	**$ 3**	**$ 8**	**$ 100**	**$ 24**	**$ 3**	**$ 407**
Operating AP Payments	$ —	$ 28	$ 25	$ 16	$ 14	$ 16	$ 9	$ 12	$ 11	$ 10	$ 10	$ 10	$ 11	172
Payroll / Payroll Taxes	—	8	—	8	—	8	—	8	—	8	—	8	—	48
Elk Hills Power Capacity / Reimbursement	23	—	—	—	23	—	—	—	—	23	—	—	—	69
Other Operating Disbursements	—	50	11	7	15	—	16	6	8	—	18	3	3	137
Total Operating Disbursements	**$ 23**	**$ 86**	**$ 36**	**$ 30**	**$ 51**	**$ 24**	**$ 25**	**$ 26**	**$ 19**	**$ 42**	**$ 28**	**$ 22**	**$ 15**	**$ 427**
OPERATING CASH FLOW	**$ (17)**	**$ 13**	**$ (2)**	**$ (27)**	**$ (44)**	**$ 59**	**$ (9)**	**$ (3)**	**$ (17)**	**$ (34)**	**$ 71**	**$ 3**	**$ (12)**	**$ (19)**
Interest Expense / Fees	$ 20	$ —	$ —	$ 4	$ —	$ —	$ —	$ 6	$ —	$ —	$ —	$ 8	$ —	$ 38
Other Disbursements	31	—	2	—	3	2	5	—	—	3	9	—	8	62
Total Other Cash Flows	**$ 51**	**$ —**	**$ 2**	**$ 4**	**$ 3**	**$ 2**	**$ 5**	**$ 7**	**$ —**	**$ 3**	**$ 9**	**$ 8**	**$ 8**	**$ 100**
TOTAL DISBURSEMENTS	**$ 74**	**$ 86**	**$ 38**	**$ 34**	**$ 54**	**$ 25**	**$ 30**	**$ 32**	**$ 19**	**$ 44**	**$ 37**	**$ 29**	**$ 22**	**$ 527**
NET CASH FLOW	**$ (68)**	**$ 13**	**$ (4)**	**$ (31)**	**$ (47)**	**$ 57**	**$ (14)**	**$ (9)**	**$ (17)**	**$ (37)**	**$ 63**	**$ (5)**	**$ (20)**	**$ (119)**
Beginning Cash Balance	$ 47	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 47
(+/-) Net Cash Flow	(68)	13	(4)	(31)	(47)	57	(14)	(9)	(17)	(37)	63	(5)	(20)	(119)
(+/-) RBL Draw / (Paydown)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(+/-) DIP Draw / (Paydown)	31	(13)	4	31	47	(57)	14	9	17	37	(63)	5	20	82
Ending Cash Balance	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**
Senior DIP Roll-Up	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83
Junior DIP Roll-Up	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650
Beginning DIP Balance	$ —	$ 31	$ 18	$ 22	$ 53	$ 100	$ 43	$ 58	$ 67	$ 84	$ 120	$ 58	$ 63	$ —
(+/-) DIP Draw / (Paydown)	31	(13)	4	31	47	(57)	14	9	17	37	(63)	5	20	82
Ending DIP Balance	$ 31	$ 18	$ 22	$ 53	$ 100	$ 43	$ 58	$ 67	$ 84	$ 120	$ 58	$ 63	$ 82	$ 82
DIP Availability Balance	*$ 219*	*$ 232*	*$ 228*	*$ 197*	*$ 150*	*$ 207*	*$ 192*	*$ 183*	*$ 166*	*$ 130*	*$ 192*	*$ 187*	*$ 168*	*$ 168*
Incremental Letters of Credit	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*
Existing Letters of Credit	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*

Project Compass **Monthly DIP Forecast**

Consolidated Monthly Cash Flow Forecast

($ in millions)

	Fcst Jul-20	Fcst Aug-20	Fcst Sep-20	Fcst Oct-20	Fcst Nov-20	Fcst Dec-20	Fcst Jan-21	Fcst Total
Cash Inflows								
Total Receipts	**$ 158**	**$ 108**	**$ 133**	**$ 150**	**$ 118**	**$ 150**	**$ 13**	**$ 830**
Cash Outflows								
Operating AP Payments	$ 73	$ 54	$ 44	$ 51	$ 53	$ 59	$ 8	341
Payroll / Payroll Taxes	16	16	16	25	16	22	8	118
Elk Hills Power Capacity / Reimbursement	23	23	23	23	23	23	24	163
Other Operating Disbursements	66	37	32	27	28	75	17	282
Total Operating Disbursements	**$ 178**	**$ 130**	**$ 115**	**$ 125**	**$ 120**	**$ 179**	**$ 56**	**$ 904**
OPERATING CASH FLOW	**$ (19)**	**$ (22)**	**$ 17**	**$ 25**	**$ (2)**	**$ (29)**	**$ (43)**	**$ (74)**
Other Cash Flows								
Interest Expense / Fees	$ 22	$ 4	$ 6	$ 8	$ 6	$ 15	$ 4	$ 65
Other Disbursements	67	10	11	33	11	14	51	198
Total Other Cash Flows	**$ 90**	**$ 14**	**$ 18**	**$ 41**	**$ 18**	**$ 28**	**$ 54**	**$ 263**
TOTAL DISBURSEMENTS	**$ 267**	**$ 144**	**$ 133**	**$ 166**	**$ 138**	**$ 207**	**$ 111**	**$ 1,166**
NET CASH FLOW	**$ (109)**	**$ (36)**	**$ —**	**$ (16)**	**$ (19)**	**$ (58)**	**$ (98)**	**$ (336)**
CASH AND BORROWINGS								
Beginning Cash Balance	$ 97	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 97
(+/-) Net Cash Flow	(109)	(36)	—	(16)	(19)	(58)	(98)	(336)
(+/-) RBL Draw / (Paydown)	—	—	—	—	—	—	—	—
(+/-) DIP Draw / (Paydown)	22	36	—	16	19	58	98	249
Ending Cash Balance	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**
Senior DIP Roll-Up	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83
Junior DIP Roll-Up	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650
Beginning DIP Balance	$ —	$ 22	$ 58	$ 58	$ 74	$ 93	$ 151	$ —
(+/-) DIP Draw / (Paydown)	22	36	—	16	19	58	98	249
Ending DIP Balance	$ 22	$ 58	$ 58	$ 74	$ 93	$ 151	$ 249	$ 249
DIP Availability Balance	*$ 228*	*$ 192*	*$ 192*	*$ 176*	*$ 157*	*$ 99*	*$ 1*	*$ 1*
Incremental Letters of Credit	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*
Existing Letters of Credit	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*

(1) Comprised of pre-petition cash flows for weeks ending 7/3 through 7/10. Comprised of post-petition cash flows for weeks ending 7/17, 7/24 and 7/31
(2) Comprised of stub period cash flows through week ending 1/15

EXHIBIT B

FORM OF NOTICE OF BORROWING

[Letterhead of Borrower]

[Date][1]

JPMorgan Chase Bank, N.A.
as Administrative Agent

Re: California Resources Corporation Notice of Borrowing

Ladies and Gentlemen:

This Notice of Borrowing is delivered to you pursuant to Sections 2.3 and 8.2 of that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), by and among California Resources Corporation, a Delaware corporation (the "**Borrower**"), the lenders from time to time party thereto (the "**Lenders**"), JPMorgan Chase Bank, N.A., as Administrative Agent and a Letter of Credit Issuer, and each other Letter of Credit Issuer from time to time party thereto (such terms and each other capitalized term used but not defined herein having the meaning provided in Article I of the Credit Agreement).

The Borrower hereby requests that a Loan be extended as follows:

(i) Aggregate amount of the requested Loan is $[ ];

(ii) Date of such Borrowing is [ ], 202[ ];

(iii) Requested Borrowing is to be [an ABR Loan][a LIBOR Loan];

(iv) In the case of a LIBOR Loan, the initial Interest Period applicable thereto is [ ];[2]

(v) The Total Credit Exposure (i.e., the sum of the Lenders' Credit Exposures) on the date hereof (without regard to the requested Borrowing) is $[ ];

(vi) The *pro forma* Total Credit Exposure (giving effect to the requested Borrowing) is $[ ];

(vii) Location and number of the Borrower's account to which funds are to be disbursed is as follows:

[ ]

---

1 Date of Notice of Borrowing: To be submitted (A) prior to 1:00 p.m. (New York City time) at least three Business Days' prior to each Borrowing of Loans if such Loans are to be made initially as LIBOR Loans and (B) prior to 1:00 p.m. (New York City time) on the date of each Borrowing of Loans that are to be ABR Loans.

2 If no Interest Period is selected, the Borrower shall be deemed to have selected an Interest Period of one month's duration.

[ ]
[ ]
[ ]
[ ]; and

(viii) The *pro forma* Consolidated Cash Balance (giving effect to the requested Borrowing) is $[ ].

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Notice of Borrowing by its authorized representative as of the day and year first above written.

CALIFORNIA RESOURCES CORPORATION

By: _____

Name:

Title:

EXHIBIT C

FORM OF LETTER OF CREDIT REQUEST

[Letterhead of Borrower]

[Date][1]

[JPMorgan Chase Bank, N.A.
as Administrative Agent and a Letter of Credit Issuer]

[_____],
as a Letter of Credit Issuer

Re: California Resources Corporation Letter of Credit Request

Ladies and Gentlemen:

This Letter of Credit Request is delivered to you pursuant to Sections 3.2 and 8.2 of that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), by and among California Resources Corporation, a Delaware corporation (the "**Borrower**"), the lenders from time to time party thereto (the "**Lenders**"), JPMorgan Chase Bank, N.A., as Administrative Agent and a Letter of Credit Issuer, and each other Letter of Credit Issuer from time to time party thereto (such terms and each other capitalized term used but not defined herein having the meaning provided in Article I of the Credit Agreement).

The Borrower hereby requests that a Letter of Credit be issued:

(i) on [insert date of requested issuance]

(ii) in the aggregate Stated Amount of $[_____];

(iii) in favor of [insert name and address of beneficiary];

(iv) which expires on [insert date at least five Business Days prior to Maturity Date];

(v) which automatically renews for [__]-month periods; and

(vi) which specifies that a drawing may be made only in the event of the occurrence of the following conditions: [insert drawing conditions]

After giving effect to the requested issuance, (i) the Stated Amount of the Letter of Credit requested by this Letter of Credit Request does not (x) when added to the Letters of Credit Outstanding at this time, exceed the Letter of Credit Commitment now in effect or (y) cause the Total Credit Exposure to exceed the Loan Limit now in effect and (ii) the *pro forma* Consolidated Cash Balance is $[ ].

[1] Date of Letter of Credit Request (prior to 1:00 p.m. (New York City time) at least two Business Days prior to the date of issuance or such lesser number as may be agreed by the Administrative Agent and the Letter of Credit Issuer).

The undersigned hereby agrees that the Letter of Credit Issuer is expressly authorized to make such changes from the form of this Request as the Letter of Credit Issuer in its reasonable discretion may deem advisable, provided no such changes shall vary the principal terms hereof.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Letter of Credit Request by its authorized representative as of the day and year first above written.

CALIFORNIA RESOURCES CORPORATION

By: _____

Name:

Title:

FORM OF GUARANTEE

[See attached.]

Execution Version

SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION GUARANTEE

made by

each of the Guarantors
from time to time party hereto,
certain of which are
debtors and debtors-in-possession under Chapter 11 of the Bankruptcy Code

in favor of

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

Dated as of July 23, 2020

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SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION GUARANTEE

SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION GUARANTEE, dated as of July 23, 2020 (this "Guarantee"), is made by each of the Subsidiaries of the Borrower that is a signatory hereto, certain of which are debtors and debtors-in-possession under Chapter 11 of the Bankruptcy Code (each of the signatories hereto, together with any other Subsidiary of the Borrower that becomes a party hereto from time to time after the date hereof, each, individually a "Guarantor" and, collectively, the "Guarantors"), in favor of JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, together with its successors in such capacity, the "Administrative Agent") for the benefit of the Secured Parties.

WHEREAS, reference is made to that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among California Resources Corporation, a Delaware corporation and a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code (the "Borrower"), the banks, financial institutions and other lending institutions or entities from time to time party thereto (the "Lenders"), and JPMorgan Chase Bank, N.A., as Administrative Agent;

WHEREAS, (a) pursuant to the Credit Agreement, among other things, (i) the Lenders have severally agreed to make Loans to the Borrower and (ii) each Letter of Credit Issuer has severally agreed to issue Letters of Credit for the account of the Borrower or its Subsidiaries upon the terms and subject to the conditions set forth therein, (b) one or more Hedge Banks have or may from time to time enter into Secured Hedge Agreements with the Borrower and/or its Subsidiaries and (c) one or more Cash Management Banks have or may from time to time provide Cash Management Services pursuant to Secured Cash Management Agreements to the Borrower and/or any of its Subsidiaries (clauses (a), (b) and (c), collectively, the "Extensions of Credit");

WHEREAS, each Guarantor is a Domestic Subsidiary of the Borrower;

WHEREAS, the proceeds of the Extensions of Credit will be used in part to enable the Borrower to make valuable transfers to the Guarantors in connection with the operation of their respective businesses;

WHEREAS, each Guarantor acknowledges that it will derive substantial direct and indirect benefit from the making of the Extensions of Credit;

WHEREAS, it is a condition precedent to the obligations of the Secured Parties to make their respective Extensions of Credit to the Borrower that the Guarantors shall have executed and delivered this Guarantee to the Administrative Agent for the ratable benefit of the Secured Parties;

WHEREAS, the execution, delivery and performance of this Guarantee by each Guarantor and providing its respective Guarantee (as defined in the Credit Agreement) to secure the payment and performance of all the Obligations have been authorized pursuant to Sections 105, 361, 362, 363(b), 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503, 506(c) and 507 of the Bankruptcy Code by the Interim Order and, after the entry thereof by the Bankruptcy Court, will have been so authorized by the Final Order;

WHEREAS, from and after the entry of the Interim Order and subject to the priorities set forth therein, and pursuant to and only to the extent permitted in the Interim Order and the Final Order, the Obligations will constitute allowed administrative expense claims in the Chapter 11 Cases having priority (subject to the terms of the Interim Order (and, when entered, the Final Order)) over all administrative

expense claims and unsecured claims against the Guarantors now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expense claims of the kind specified in Sections 105, 326, 328, 330, 331, 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 726, 1113 or 1114 or any other provision of the Bankruptcy Code or otherwise, as provided under Section 364(c)(1) of the Bankruptcy Code; and

WHEREAS, to supplement the Interim Order (and, when entered, the Final Order) without in any way diminishing or limiting the effect of the Interim Order (and, when entered, the Final Order), and in order to comply with the requirements of the Credit Agreement, the parties hereto desire to more fully set forth their respective rights in connection with such Guarantee (as defined in the Credit Agreement) as set forth herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and to induce the Administrative Agent, each Letter of Credit Issuer and the Lenders to enter into the Credit Agreement and the Lenders and each Letter of Credit Issuer to make the Extensions of Credit to the Borrower under the Credit Agreement, to induce one or more Hedge Banks to enter into Secured Hedge Agreements with the Borrower and/or its Subsidiaries and to induce one or more Cash Management Banks to provide Cash Management Services pursuant to Secured Cash Management Agreements with the Borrower and/or its Subsidiaries, the Guarantors hereby agree with the Administrative Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION I
DEFINITIONS

1.1 Defined Terms.

(a) Unless otherwise defined herein, each term defined in the Credit Agreement and used herein (including terms used in the preamble and recitals hereto) shall have the meaning given to it in the Credit Agreement.

(b) The rules of construction and other interpretive provisions specified in Sections 1.2, 1.3, 1.5 1.6 and 1.7 of the Credit Agreement shall apply to this Guarantee, including terms defined in the preamble and recitals hereto.

(c) As used herein, "Obligations" shall have the meaning given such term in the Credit Agreement; provided that references herein to (a) the Obligations of the Borrower shall refer to the Obligations (as defined in the Credit Agreement), and (b) the Obligations of any Guarantor shall refer to such Guarantor's Guarantor Obligations.

(d) As used herein, "Guaranteed Transaction Document" means the Credit Documents, any Secured Cash Management Agreement and any Secured Hedge Agreement.

(e) As used herein, "Restricted Person" means the Borrower or any Guarantor.

(f) As used herein, "Guarantor Obligations" means, with respect to any Guarantor, all Obligations (as defined in the Credit Agreement) of such Guarantor which may arise under or in connection with the Guarantee and any other Security Document to which such Guarantor is a party.

SECTION II
GUARANTEE

2.1 Guarantee.

(a) Subject to the provisions of Section 2.1(b), each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations (including any extensions, modifications, substitutions, amendments and renewals of any or all of such Obligations).

(b) Anything herein or in any other Guaranteed Transaction Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Guaranteed Transaction Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under the Bankruptcy Code or any applicable federal and state Requirements of Law relating to fraudulent conveyances, fraudulent transfers or the insolvency of debtors.

(c) Without limiting the foregoing, this Guarantee secures, as to any Guarantor, the payment of all amounts that constitute part of the Obligations and would be owed by any Restricted Person to any Secured Party under the Guaranteed Transaction Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving a Restricted Person.

(d) Each Guarantor agrees to pay or reimburse the Administrative Agent for all of its reasonable and documented out-of-pocket costs and expenses (with respect to attorney costs, limited to reasonable fees, disbursements and other charges of (x) one primary counsel to the Administrative Agent and a single local counsel in each relevant jurisdiction and any special counsel reasonably deemed necessary by the Administrative Agent, and (y) one primary counsel to the other Secured Parties (taken as a whole) and a single local counsel in each relevant jurisdiction and any special counsel reasonably deemed necessary by the other Secured Parties (taken as a whole)) incurred in connection with the preparation, negotiation, execution, delivery and administration of, and any amendment, waiver, supplement, consent, or modification to, this Guarantee and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of Simpson Thacher & Bartlett LLP, in its capacity as counsel to the Administrative Agent, and one counsel to the Administrative Agent and one counsel to the other Secured Parties in each appropriate local jurisdiction (other than any allocated costs of in-house counsel) to the extent that the Borrower would be required to make payments pursuant to Section 14.5 of the Credit Agreement. Each Guarantor further agrees to pay any and all expenses (including without limitation, all reasonable fees and disbursements of counsel) that may be paid or incurred by the Administrative Agent or any other Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Guarantor under this Guarantee to the extent that the Borrower would be required to make payments pursuant to Section 14.5 of the Credit Agreement. This Guarantee shall remain in full force and effect until Payment in Full.

(e) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this Guarantee or affecting the rights and remedies of the Administrative Agent or any other Secured Party hereunder.

(f) No payment or payments made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any other Secured

Party from the Borrower, any Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of, or in payment of, the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder, which shall, notwithstanding any such payment or payments (other than payments made by the Borrower or such Guarantor in respect of the Obligations or payments received or collected from such Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until Payment in Full.

(g) Each Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any other Secured Party on account of its liability hereunder, it will notify the Administrative Agent in writing that such payment is made under this Guarantee for such purpose.

2.2 Right of Contribution. Subject to entry and the terms of the Interim Order (and, when entered, the Final Order), each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder (including by way of set-off rights being exercised against it), such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.4. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the other Secured Parties, and each Guarantor shall remain liable to the Administrative Agent and the other Secured Parties for the full amount guaranteed by such Guarantor hereunder.

2.3 Right of Set-off. In addition to any rights and remedies of the Secured Parties provided by the DIP Order and applicable Requirements of Law, each Guarantor hereby irrevocably authorizes each Secured Party at any time and from time to time following the occurrence and during the continuance of any Event of Default, without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, upon any amount becoming due and payable by such Guarantor hereunder (whether at stated maturity, by acceleration or otherwise), subject to the terms of the Interim Order (and, when entered, the Final Order), to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final, but excluding deposits held by such Guarantor as a fiduciary for others), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Guarantor under any Guaranteed Transaction Document. Each Secured Party shall notify such Guarantor and the Administrative Agent promptly of any such set-off and the appropriation and application made by such Secured Party; provided that the failure to give such notice shall not affect the validity of such set-off and appropriation and application.

2.4 No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or appropriation or application of funds of any of the Guarantors by any Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any other Secured Party against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by any Secured Party for the payment of the Obligations until Payment in Full, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder until Payment in Full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time prior to Payment in Full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by

such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent determines in its discretion.

2.5 Amendments, etc. with respect to the Obligations; Waiver of Rights. Except for termination of a Guarantor's obligations hereunder as provided in Section 5.14, each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor: (a) any demand for payment of any of the Obligations made by the Administrative Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued; (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any other Secured Party (with the consent of the applicable Credit Parties where required by the terms hereof or thereof); (c) the Credit Agreement and the other Guaranteed Transaction Documents and any other documents executed and delivered in connection therewith may be amended, modified, waived, supplemented or terminated, in whole or in part, in accordance with the terms of the applicable documents; and (d) any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against any of the Guarantors, the Administrative Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on the Borrower or any other Guarantor or guarantor, and any failure by the Administrative Agent or any other Secured Party to make any such demand or to collect any payments from the Borrower or any such other Guarantor or guarantor or any release of the Borrower or such other Guarantor or guarantor shall not relieve any of the Guarantors in respect of which a demand or collection is not made or any of the Guarantors not so released of their several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any other Secured Party against any of the Guarantors. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, contraction, incurrence, renewal, extension, amendment, waiver or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any other Secured Party upon this Guarantee or acceptance of this Guarantee, and the Obligations, and any of them shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended, waived or accrued, in reliance upon this Guarantee. All dealings between the Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. To the fullest extent permitted by applicable Requirement of Law, each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to, or upon, the Borrower or any other Guarantor with respect to the Obligations. Each Guarantor understands and agrees that, subject to the terms of the Interim Order (and, when entered, the Final Order), this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement or any other Guaranteed Transaction Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any other Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower against the Administrative Agent or any other Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Credit Parties for the Obligations, or of such Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights

and remedies hereunder against any Guarantor, the Administrative Agent and any other Secured Party may, subject to the terms of the Interim Order (and, when entered, the Final Order), but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrower or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any other Secured Party to pursue such other rights or remedies or to collect any payments from the Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the other Secured Parties against such Guarantor. Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from financing arrangements contemplated by the Guaranteed Transaction Documents and the waivers set forth herein are knowingly made in contemplation of such benefits. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the other Secured Parties, and their respective successors, indorses, transferees and assigns, until Payment in Full. A Guarantor shall automatically be released from its obligations hereunder and the Guarantee of such Guarantor shall be automatically released under the circumstances described in Section 14.17 of the Credit Agreement.

2.7 Reinstatement. Each Guarantor further agrees that, subject to the terms of the Interim Order (and, when entered, the Final Order), this Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.8 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the office of the Administrative Agent located at the address specified in Section 14.2 of the Credit Agreement or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders. Each Guarantor agrees that the provisions of Sections 5.4 and 14.20 of the Credit Agreement shall apply to such Guarantor's obligations under this Guarantee.

SECTION III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties.

(a) Each Guarantor hereby represents and warrants that, in the case of such Guarantor, the representations and warranties set forth in Article IX of the Credit Agreement (as they relate to such Guarantor) or in the other Guaranteed Transaction Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct in all material respects (unless any such representation or warranty is already qualified by materiality, Material Adverse Effect or a similar qualification, in which case such representation or warranty is true and correct in all respects), and the Administrative Agent and each Secured Party shall be entitled to rely on each of them as if they were fully set forth herein.

(b) Each Guarantor has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of this Guarantee and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Guarantee. Each Guarantor has duly executed and delivered this Guarantee and, upon entry and subject to the terms of the Interim Order (and, when entered, the Final Order), this Guarantee constitutes the legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization and similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

(c) Subject to entry and the terms of the Interim Order (and, when entered, the Final Order), none of the execution, delivery or performance of this Guarantee or the compliance with the terms and provisions thereof by any Guarantor will (a) contravene any material applicable provision of any material Requirement of Law, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other instrument to which such Guarantor is a party or by which it or any of its property or assets is bound or (c) violate any provision of the certificate of incorporation, by-laws or other organizational documents of such Guarantor.

(d) Subject to entry and the terms of the Interim Order, there is no condition precedent to the effectiveness of this Guarantee that has not been satisfied or waived.

(e) Each Guarantor has independently and without reliance upon any Secured Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Guarantee, and such Guarantor has established adequate means of obtaining from each other Restricted Person on a continuing basis information pertaining to, and is now and on a continuing basis will be completely familiar with, the business, condition (financial or otherwise), operations, performance, properties and prospects of each other Restricted Person.

Each Guarantor agrees that the foregoing representations and warranties shall be deemed to have been made by such Guarantor on and as of the date of each Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be deemed to have been made as of such earlier date).

SECTION IV
COVENANTS

4.1 Covenants. Each Guarantor hereby covenants and agrees with the Administrative Agent and each other Secured Party that, from and after the date of this Guarantee until Payment in Full, such Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by such action, the failure to take such action or to refrain from taking such action by such Guarantor or any of its Subsidiaries.

4.2 Authority of Administrative Agent. Each Guarantor acknowledges that the rights and responsibilities of the Administrative Agent under this Guarantee with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Guarantee shall, as between the Administrative Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and such Guarantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from

acting in the manner set forth in Article 13 of the Credit Agreement, and no Guarantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION V
MISCELLANEOUS

5.1 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.2 of the Credit Agreement. All communications and notices hereunder to any Guarantor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

5.2 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Guaranteed Transaction Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Guarantee and the making of the Loans.

5.3 Severability. Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

5.4 Integration; Conflicts. Subject to entry and the terms of the Interim Order (and, when entered, the Final Order), this Guarantee and the other Guaranteed Transaction Documents represent the final agreement of the Guarantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties hereto, and there are no promises, undertakings, representations or warranties by the Guarantors, any Agent nor any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Guaranteed Transaction Documents. There are no unwritten oral agreements between the parties hereto. Each Guarantor and the Administrative Agent expressly agree that (a) in the event of a conflict between the terms and conditions of this Guarantee and the terms and conditions of the Credit Agreement, the terms and conditions of the Credit Agreement shall control and (b) in the event of a conflict between the terms of this Guarantee and the terms of the DIP Order, the terms of the DIP Order shall control.

5.5 Section Headings. The Section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

5.6 Counterparts; Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. Sections 14.9 (Counterparts; Electronic Execution), 14.12 (GOVERNING LAW), 14.13 (Submission to Jurisdiction; Waivers) and 14.15 (WAIVERS OF JURY TRIAL) of the Credit Agreement are hereby incorporated herein by reference *mutatis* mutandis and shall apply to this Guarantee as if fully set forth herein.

5.7 Acknowledgments. Each Guarantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Guarantee, the transactions contemplated hereby and the other Guaranteed Transaction Documents;

(b) it will not assert any claim against the Administrative Agent or any other Secured Party based on an alleged breach of fiduciary duty by such party in connection with this Guarantee, the transactions contemplated hereby or the other Guaranteed Transaction Documents; and

(c) no joint venture is created hereby or by the other Guaranteed Transaction Documents or otherwise exists by virtue of the transactions contemplated hereby among the Administrative Agent and the other Secured Parties or among the Borrower, the Administrative Agent and the other Secured Parties.

5.8 Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Guarantor(s) and the Administrative Agent in accordance with Section 14.1 of the Credit Agreement.

(b) Neither the Administrative Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to Section 5.8(a)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. A waiver by the Administrative Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or any Secured Party would otherwise have on any future occasion.

(c) The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and not exclusive of any other rights, remedies, powers and privileges provided by law.

5.9 Successors and Assigns. This Guarantee shall, subject to entry and the terms of the Interim Order (and, when entered, the Final Order), be binding upon each Guarantor and its successors and assigns and shall inure, together with all rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent and the Secured Parties and their successors and assigns. Without limiting the generality of the foregoing, the Administrative Agent and any other Secured Party may, in accordance with the provisions of the Guaranteed Transaction Documents, pledge, assign or otherwise transfer any right under any Guaranteed Transaction Document to any other Person, and such other Person shall thereupon become vested with all benefits in respect thereof granted herein or otherwise. No right or duty of any Guarantor hereunder may be assigned or otherwise transferred without the prior written consent of the Administrative Agent.

5.10 Termination or Release.

(a) This Guarantee shall terminate on the date on which the Obligations are Paid in Full.

(b) Subject to entry and the terms of the Interim Order (and, when entered, the Final Order), a Guarantor shall automatically be released from its obligations hereunder upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Guarantor ceases to be a Subsidiary.

(c) In connection with any termination or release in accordance with clauses (a) and (b) above and subject to Section 14.17 of the Credit Agreement, the Administrative Agent shall, subject to entry and the terms of the Interim Order (and, when entered, the Final Order), execute and deliver to any Guarantor, at such Guarantor's expense, all documents that such Guarantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 5.10 shall be without recourse to or representation or warranty by the Administrative Agent.

5.11 Additional Guarantors. Each Person required to become a Credit Party pursuant to and in accordance with Section 10.10 of the Credit Agreement, shall, within the time periods specified in Section 10.10 of the Credit Agreement, execute by executing a joinder (a "**Joinder**") to the Guarantee Agreement in form and substance reasonably acceptable to the Administrative Agent. Upon execution and delivery by the Administrative Agent and any such Person of such Joinder, such Person shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of a Joinder shall not require the consent of any other Credit Party. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantors as a party to this Guarantee.

[SIGNATURES BEGIN NEXT PAGE]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee to be duly executed and delivered as of the date first above written.

[_____]
as a Guarantor

By: _____
Name: _____
Title: _____

Acknowledged and Consented to:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name: _____
Title: _____

FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the **"Assignment and Acceptance"**) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the **"Assignor"**) and [*Insert name of Assignee*] (the **"Assignee"**). Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Secured Superpriority Debtor-in-Possession Credit Agreement identified below (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases, assumes and accepts from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and guarantees included in such facilities) [and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "***Assigned Interest***"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance or the Credit Agreement, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
[and is an Affiliate/Approved Fund of [*identify Lender*][1]]

3. Borrower: California Resources Corporation

4. Administrative Agent: JPMorgan Chase Bank, N.A., as Administrative Agent under the Credit Agreement

5. Credit Agreement: That certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020, among California Resources Corporation, a Delaware corporation (the "**Borrower**"), the lenders from time to time party thereto (the "**Lenders**"), JPMORGAN CHASE BANK, N.A., as Administrative Agent and a Letter of Credit Issuer, and each other Letter of Credit Issuer from

[1] Select as applicable.

time to time party thereto (such terms and each other capitalized term used but not defined herein having the meaning provided in Article I of the Credit Agreement).

6. Assigned Interest:

Total Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned[2]	Commitment Percentage[3]
$_____	$_____	_____%

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Credit Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

[Remainder of page intentionally left blank; signature page follows]

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[2] (1) The amount of the Commitment or Loans of the assigning Lender being assigned pursuant to this Assignment shall not be less than $5,000,000 and increments of $1,000,000 in excess thereof and (2) after giving effect to this Assignment, the amount of the remaining Commitment or Loans of the assigning Lender (determined as of the date this Assignment is delivered to the Administrative Agent) shall not be less than $5,000,000, in each case unless each Letter of Credit Issuer and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed).

[3] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR:
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE:
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:][1]

[Consented to:

[NAME OF RELEVANT PARTY]

By: _____
Name:
Title:][2]

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1 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

2 To be added only if the consent of the Letter of Credit Issuers is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT
AND ACCEPTANCE

Representations and Warranties.

Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of the Credit Agreement, (iv) any requirements under applicable law for the Assignee to become a lender under the Credit Agreement or to charge interest at the rate set forth therein from time to time or (v) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under the Credit Agreement.

Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement and under applicable law that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 10.1(a) and (b) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, the Lead Arranger, the Assignor or any other Lender or any of their respective Related Parties, and (vi) if it is a Non-U.S. Lender, attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Lead Arranger, the Assignor or any other Lender or any of their respective Related Parties, and based on such documents and information as it shall deem appropriate at that time, continue to make its own credit

decisions in taking or not taking action under the Credit Agreement, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Acceptance by the Assignee and the Assignor by Electronic Signature or delivery of an executed counterpart of a signature page of this Assignment and Assumption by any Approved Electronic Platform shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York and, to the extent applicable, the Bankruptcy Code.

FORM OF PROMISSORY NOTE

[_____], 202[__]

FOR VALUE RECEIVED, the undersigned, California Resources Corporation, a Delaware corporation (the "**Borrower**"), hereby unconditionally promises to pay [_____] or its registered assigns (the "**Lender**"), at the Administrative Agent's Office or such other place as JPMORGAN CHASE BANK, N.A. (the "**Administrative Agent**") shall have specified, in Dollars and in immediately available funds, in accordance with Section 5.3 of the Credit Agreement (as defined below; capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in Article I of the Credit Agreement) on the Maturity Date, the aggregate unpaid principal amount, if any, of all advances made by the Lender to the Borrower in respect of Loans pursuant to the Credit Agreement. The Borrower further promises to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates per annum and on the dates specified in Section 2.8 of the Credit Agreement.

This Promissory Note is one of the promissory notes referred to in Section 2.5(e) of that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Borrower, the lenders from time to time party thereto (the "**Lenders**"), JPMORGAN CHASE BANK, N.A., as Administrative Agent and a Letter of Credit Issuer, and each other Letter of Credit Issuer from time to time party thereto (such terms and each other capitalized term used but not defined herein having the meaning provided in Article I of the Credit Agreement).

This Promissory Note is subject to, and the Lender is entitled to the benefits of, the provisions of the Credit Agreement, and the Loans evidenced hereby are guaranteed and secured as provided therein and in the other Credit Documents. The Loans evidenced hereby are subject to prepayment prior to the Maturity Date, in whole or in part, as provided in the Credit Agreement.

All parties now and hereafter liable with respect to this Promissory Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive diligence, presentment, demand, protest and notice of any kind whatsoever in connection with this Promissory Note. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or the Lender, any right, remedy, power or privilege hereunder or under the Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. A waiver by the Administrative Agent or the Lender of any right, remedy, power or privilege hereunder or under any Credit Document on any one occasion shall not be construed as a bar to any right or remedy that the Administrative Agent or the Lender would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights, remedies, powers and privileges provided by law.

All payments in respect of the principal of and interest on this Promissory Note shall be made to the Person recorded in the Register as the holder of this Promissory Note, as described more fully in Section 2.5 of the Credit Agreement, and such Person shall be treated as the Lender hereunder for all purposes of the Credit Agreement.

[Remainder of page intentionally left blank]

THIS PROMISSORY NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

CALIFORNIA RESOURCES CORPORATION

By: _____

Name:

Title:

Promissory Note
California Resources Corporation
Credit Agreement

FORM OF INTERIM ORDER

[See attached.]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re	:	Chapter 11
	:	Case No. 20-33568 (DRJ)
CALIFORNIA RESOURCES CORPORATION, *et al*.,	:	Jointly Administered
Debtors.	:	

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) AUTHORIZING THE USE OF CASH COLLATERAL, (IV) GRANTING ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY AND (VI) GRANTING RELATED RELIEF

Upon the motion (the "Motion"),[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases"), seeking entry of an interim order (together with all annexes, schedules and exhibits hereto, this "Interim Order") and the Final Order (as defined below) pursuant to sections 105, 361, 362, 363(b), 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503, 506(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code"), and rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy

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1 The Debtors in these chapter 11 cases and the last four digits of their U.S. taxpayer identification numbers are: California Resources Corporation (0947); California Heavy Oil, Inc. (4630); California Resources Coles Levee, L.P. (2995); California Resources Coles Levee, LLC (2087); California Resources Elk Hills, LLC (7310); California Resources Long Beach, Inc. (6046); California Resources Mineral Holdings LLC (4443); California Resources Petroleum Corporation (9218); California Resources Production Corporation (5342); California Resources Production Mineral Holdings, LLC (9071); California Resources Real Estate Ventures, LLC (6931); California Resources Royalty Holdings, LLC (6393); California Resources Tidelands, Inc. (0192); California Resources Wilmington, LLC (0263); CRC Construction Services, LLC (7030); CRC Marketing, Inc. (0941); CRC Services, LLC (6989); Monument Production, Inc. (0782); Oso Verde Farms, LLC (7436); Socal Holding, LLC (3524); Southern San Joaquin Production, Inc. (4423); Thums Long Beach Company (1774); Tidelands Oil Production Company LLC (5764). The Debtors' corporate headquarters is located at 27200 Tourney Road, Suite 200, Santa Clarita, CA 91355.

2 All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Rules") and Rules 2002-1, 4001-1(b), 4002-1(i) and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Local Rules") and the Procedures for Complex Chapter 11 Bankruptcy Cases (the "Complex Case Procedures") promulgated by the United States Bankruptcy Court for the Southern District of Texas, providing, among other things:

(1) authorizing the Debtors to obtain debtor-in-possession financing in the aggregate principal amount of up to $1,133,010,655.62, consisting of:

(A) a senior secured superpriority debtor-in-possession revolving credit facility (the "Senior DIP Facility") in the aggregate principal amount of up to $483,010,655.62, consisting of (i) a $400,139,598.62 new money subfacility (the "Senior New Money Subfacility"), including $150,139,598.62 to deem the RBL Letters of Credit (as defined below) as being issued under the Senior New Money Subfacility and a sublimit of not more than $35,000,000 for additional letters of credit (together, the "DIP Letters of Credit"), and (ii) a $82,871,057.00 "roll-up" term loan subfacility (the "Senior Roll-Up Subfacility") (all extensions of credit, including the issuance or deemed issuance of DIP Letters of Credit, under the Senior DIP Facility, the "Senior DIP Loans") pursuant to the terms and conditions of this Interim Order and that certain Senior Secured Superpriority Debtor-In-Possession Credit Agreement substantially in the form attached hereto as Exhibit 1 (as amended, supplemented, restated, refunded, refinanced, replaced or otherwise modified from time to time in accordance with the terms thereof, the "Senior DIP Credit Agreement", and together with all agreements, commitment and fee letters, documents, instruments and certificates executed, delivered or filed in connection therewith, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, collectively, the "Senior DIP Loan Documents"), by and among California Resources Corporation, as borrower ("CRC" or the "Senior DIP Borrower"), each of the other Debtors, as guarantors (the "Senior DIP Guarantors"), JPMorgan Chase Bank, N.A. (or any successor or assign), as administrative agent and collateral agent (in such capacities, the "Senior DIP Agent"), JPMorgan Chase Bank, N.A., Bank of America, N.A. and Citibank, N.A. in their capacity as the issuing banks for DIP Letters of Credit (the "Senior Issuing Banks") and the financial institutions party thereto from time to time as lenders (the "Senior DIP Lenders", and together with the Senior DIP Agent, the Senior Issuing Banks and each other Secured Party (as defined in the Senior DIP Credit Agreement), the "Senior DIP Secured Parties"); and

(B) a junior secured superpriority debtor-in-possession term loan facility (the "Junior DIP Facility", together with the Senior DIP Facility, the "DIP Facilities") in the aggregate principal amount of $650,000,000 (all extensions of credit under the Junior DIP Facility, the "Junior DIP Loans", and together with the Senior DIP Loans, the "DIP Loans") pursuant to the terms and conditions of this Interim Order and that certain Junior Secured Superpriority Debtor-In-Possession Credit Agreement substantially in the form attached

hereto as Exhibit 2 (as amended, supplemented, restated, refunded, refinanced, replaced or otherwise modified from time to time in accordance with the terms thereof, the "Junior DIP Credit Agreement", and together with all agreements, commitment and fee letters, documents, instruments and certificates executed, delivered or filed in connection therewith, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, collectively, the "Junior DIP Loan Documents"; the Junior DIP Credit Agreement together with the Senior DIP Credit Agreement, the "DIP Credit Agreements", and the Junior DIP Loan Documents together with the Senior DIP Loan Documents, the "DIP Loan Documents"), by and among CRC, as borrower (the "Junior DIP Borrower", and together with the Senior DIP Borrower, the "DIP Borrowers"), each of the other Debtors, as guarantors (the "Junior DIP Guarantors", and together with the Senior DIP Guarantors, the "DIP Guarantors"), Alter Domus Products Corp. (or any successor or assign), as administrative agent (in such capacity, the "Junior DIP Agent", and together with the Senior DIP Agent, the "DIP Agents"), and the financial institutions party thereto from time to time as lenders (the "Junior DIP Lenders", and together with the Junior DIP Agent, and each other Secured Party (as defined in the Junior DIP Credit Agreement), the "Junior DIP Secured Parties"; the Junior DIP Lenders together with the Senior DIP Lenders, the "DIP Lenders", and the Junior DIP Secured Parties together with the Senior DIP Secured Parties, the "DIP Secured Parties");

(2) authorizing the Debtors to draw up to $266,139,598.62 of Senior DIP Loans under the Senior New Money Subfacility during the interim period pending entry of the Final Order to be used in accordance with this Interim Order and the Senior DIP Loan Documents, consisting of up to $85,000,000 for new money Senior DIP Loans, $150,139,598.62 of capacity to issue (or deemed to issue) DIP Letters of Credit to replace the RBL Letters of Credit and up to $31,000,000 to issue additional new DIP Letters of Credit to backstop surety bonds;

(3) authorizing the Debtors to fully draw $82,871,057.00 of Senior DIP Loans under the Roll-Up Subfacility on the closing date of the Senior DIP Facility and to use the proceeds thereof to refund, refinance, replace and repay $82,871,057.00 of the RBL Loans (as defined below);

(4) authorizing the Debtors to fully draw $650,000,000 of Junior DIP Loans under the Junior DIP Facility on the closing date of the Junior DIP Facility to repay $650,000,000 of the RBL Loans;

(5) authorizing the Debtors to issue DIP Letters of Credit, including deeming all of the RBL Letters of Credit to be DIP Letters of Credit issued under the Senior New Money Subfacility;

(6) authorizing the Debtors to execute and deliver to the DIP Secured Parties and perform under the DIP Credit Agreements and the other DIP Loan Documents and to perform such other and further acts as may be necessary or desirable in connection with the DIP Loan Documents;

(7) authorizing and directing the Debtors to incur and pay all DIP Obligations (as defined below), subject to the terms of the respective DIP Loan Documents and this Interim Order;

(8) granting each DIP Agent, for the benefit of itself and the other DIP Secured Parties for which it is the agent, and authorizing the Debtors to incur, valid, enforceable, non-avoidable, automatically and fully perfected priming liens on and security interests in all DIP Collateral (as defined below), including, without limitation, all Cash Collateral (as defined below), to secure the respective DIP Obligations, which liens and security interests shall be subject to the rankings and priorities set forth herein;

(9) granting to the Senior DIP Secured Parties and Junior DIP Secured Parties allowed superpriority administrative expense claims against each of the Debtors, on a joint and several basis, in respect of all Senior DIP Obligations and Junior DIP Obligations (each as defined below), respectively, as set forth herein, which claims shall be subject to the ranking and priorities set forth herein;

(10) authorizing the Debtors' use of the proceeds of the DIP Facilities and Cash Collateral, in each case solely in accordance with the Approved Budget (as defined below and subject to Permitted Variances (as defined below)), and subject to the terms and conditions set forth in this Interim Order and the DIP Loan Documents;

(11) providing adequate protection, as and to the extent set forth herein, to the Prepetition RBL Secured Parties, Prepetition FLMO Secured Parties, Prepetition FLLO Secured Parties and Prepetition Second Lien Secured Parties (each as defined below) for any Diminution in Value (as defined below) of their respective interests in the Prepetition Collateral (as defined below), including Cash Collateral;

(12) subject to the limitations set forth herein, approving certain stipulations by the Debtors with respect to the Prepetition RBL Credit Agreement, the Prepetition RBL Obligations, the Prepetition Senior Liens, the Prepetition FLMO Term Credit Agreement, the Prepetition FLMO Obligations, the Prepetition FLLO Term Credit Agreement, the Prepetition FLLO Obligations, the Prepetition FLLO Liens, the Prepetition Second Lien Indenture, the Prepetition Second Lien Note Obligations, the Prepetition Second Liens and the Prepetition Collateral (each as defined below);

(13) waiving the rights of the Debtors to surcharge the DIP Collateral or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code, subject to the provisions in paragraph 31 below;

(14) waiving the application of the "equities of the case" exception under section 552(b) of the Bankruptcy Code as to the Prepetition Secured Parties (as defined below) with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral, subject to the provisions in paragraph 32 below;

(15) waiving the equitable doctrine of "marshaling" and other similar doctrines as to the DIP Secured Parties and the Prepetition Secured Parties, subject to the provisions in paragraphs 33 and 34 below;

(16) modifying or vacating the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise to the extent necessary to implement and effectuate the terms and provisions of

this Interim Order and the DIP Loan Documents, and waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order, and providing for the immediate effectiveness of this Interim Order; and

(17) scheduling a final hearing (the "Final Hearing") to consider entry of a final order (the "Final Order") authorizing the relief requested in the Motion on a final basis, and approving the form of notice with respect to the Final Hearing, which order shall be in form and substance and on terms satisfactory in all respects to each DIP Agent.

The Court (as defined below) having considered the Motion, the DIP Loan Documents on file with the Court, the *Declaration of Todd A. Stevens in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* (the "Stevens First Day Declaration") and the *Declaration of Mark Rajcevich in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* (the "Rajcevich First Day Declaration" and together with the Stevens First Day Declaration, the "First Day Declarations"), the Declaration of Bruce Mendelsohn in support of the Motion (the "Mendelsohn Declaration"), the pleadings filed with the Court, and the evidence proffered or adduced at the interim hearing held on July 17, 2020 (the "Interim Hearing"); and notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 4001 and 9014 and all applicable Bankruptcy Local Rules and Complex Case Procedures; and all objections, if any, to the interim relief requested in the Motion having been withdrawn, resolved or overruled by the Court; and it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing, and otherwise is fair and reasonable and in the best interests of the Debtors, their estates and their creditors, represents a sound exercise of the Debtors' business judgment and is necessary for the continued operation of the Debtors' businesses; and upon the record of these Chapter 11 Cases; after due deliberation and consideration, and for good and sufficient cause appearing therefor:

IT IS HEREBY FOUND, DETERMINED, ORDERED AND ADJUDGED:[3]

A. *Petition Date*. On July, 15, 2020 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (this "Court") commencing these Chapter 11 Cases.

B. *Debtors-in-Possession*. The Debtors continue to manage and operate their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of the Chapter 11 Cases.

C. *Committee Formation*. As of the date hereof, the United States Trustee (the "U.S. Trustee") has not appointed an official committee of unsecured creditors in these Chapter 11 Cases (the "Committee").

D. *Jurisdiction and Venue*. The Court has jurisdiction, pursuant to 28 U.S.C. § 1334, over these proceedings, and over the persons and property affected thereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief set forth herein are sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code and Rules 2002, 4001, 6004 and 9014 of the Bankruptcy Rules and Rules 2002-1, 4001-1(b), 4002-1(i) and 9013-1 of the Bankruptcy Local Rules. Venue for these Chapter 11 Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

E. *Debtors' Stipulations*. In requesting the DIP Facilities, and in exchange for and as a material inducement to the DIP Lenders for their commitments to provide the respective DIP Facilities, and in exchange for and in recognition of the priming of the Prepetition Senior Liens, the Prepetition FLLO Liens and the Prepetition Second Liens (each as defined below), subject to paragraph 29 hereof, the Debtors hereby admit, stipulate, acknowledge and agree that:

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[3] Where appropriate in this Interim Order, findings of fact shall be construed as conclusions of law and vice versa pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

(i) *Prepetition RBL Facility*. Pursuant to the Credit Agreement, dated as of September 24, 2014 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition RBL Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined therein), collectively, the "Prepetition RBL Loan Documents") by and among (a) CRC, as borrower (the "RBL Borrower"), (b) the guarantors party thereto (together with the RBL Borrower, the "Prepetition RBL Loan Parties"), (c) JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Prepetition RBL Agent"), (d) the lenders party thereto (the "Prepetition RBL Lenders") and (e) the Letter of Credit Issuers party thereto (together with any other Secured Parties (as defined in the Prepetition RBL Credit Agreement), collectively, the "Prepetition RBL Secured Parties"), the Prepetition RBL Secured Parties provided revolving loans and other extensions of credit (the "RBL Loans") to the RBL Borrower, and the Letter of Credit Issuers issued letters of credit (the "RBL Letters of Credit") for the account of the RBL Borrower.

(ii) *Prepetition RBL Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition RBL Loan Parties were jointly and severally indebted to the Prepetition RBL Secured Parties in the aggregate principal amount of $732,871,057 on account of RBL Loans, *plus* $150,139,598.62 with respect to issued and outstanding RBL Letters of Credit, *plus* accrued but unpaid interest, fees and expenses *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition RBL Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition RBL Loan Documents (collectively, including any "Obligations" as provided solely in clause (a)(i) of the term "Obligations" in the Prepetition RBL Credit Agreement, the "Prepetition RBL Obligations").

(iii) *Prepetition First Lien Mid-Out Term Facility*. Pursuant to the Credit Agreement, dated as of November 17, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition FLMO Term Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined therein), collectively, the "Prepetition FLMO Term Loan Documents") by and among (a) CRC, as borrower (the "FLMO Term Loan Borrower"), (b) the lenders party thereto (the "Prepetition FLMO Term Loan Lenders", and together with any Secured Parties (as defined in the Prepetition FLMO Term Credit Agreement), collectively, the "Prepetition FLMO Secured Parties") and (c) The Bank of New York Mellon Trust Company N.A. ("BNYM"), as administrative agent (in such capacity, the "Prepetition FLMO Term Loan Agent"), the Prepetition FLMO Term Loan Lenders provided term loans (the "Prepetition FLMO Term Loans") and other financial accommodations to the FLMO Term LoanBorrower, which were guaranteed by the guarantors party to the Guarantee, dated as of November 17, 2017 (together with the FLMO Term Loan Borrower, the "Prepetition FLMO Term Loan Parties", and together with the Prepetition RBL Loan Parties, the "Prepetition Senior Loan Parties").

(iv) *Prepetition First Lien Mid-Out Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition FLMO Term Loan Parties were jointly and severally indebted to the Prepetition FLMO Term Loan Lenders in the aggregate principal amount of $1,300,000,000, *plus* accrued but unpaid interest, fees and expenses, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition FLMO Term Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition FLMO Term Loan Documents (collectively, including any Obligations (as defined in the Prepetition FLMO Term Credit Agreement), the "Prepetition FLMO Obligations").

(v) *Prepetition Senior Liens and Prepetition Senior Collateral*. Pursuant to (i) the Second Amended and Restated Security Agreement, dated as of November 17, 2017, (ii) the Amended and Restated Pledge Agreement, dated as November 17, 2017, and (iii) the other Security Documents (as defined in the Prepetition RBL Credit Agreement and the Prepetition FLMO Term Credit Agreement), in order to secure the Prepetition RBL Obligations and the Prepetition FLMO Obligations, the Prepetition Senior Loan Parties granted to BNYM, as collateral agent for each of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties (in such capacity, the "Prepetition Senior Secured Collateral Agent"), for the benefit of itself and the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties, properly perfected and continuing first-priority liens, mortgages and security interests (such interests the "Prepetition Senior Liens") in the Collateral (as defined in the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents) (collectively, the "Prepetition Collateral"); *provided*, that the term Prepetition Collateral does not include any Collateral (as defined in the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents) in which a lien, mortgage and security interest was not required to be (and was not as of the Petition Date) granted and perfected by the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents, and which Collateral is not otherwise subject to a properly perfected lien, mortgage or security interest of the Prepetition Secured Parties.

(vi) *Collateral Agency Agreement*. The relative rights and remedies of the Prepetition RBL Secured Parties and the Prepetition FLMO Secured Parties in respect of the Prepetition Collateral and the relative priority of their rights to the proceeds of the Prepetition Collateral are governed by that certain Collateral Agency Agreement, dated as of November 17, 2017, by and among the Prepetition RBL Agent, the Prepetition FLMO Term Loan Agent and the Prepetition Senior Secured Collateral Agent, and the grantors party thereto (as amended, supplemented or otherwise modified from time to time, the "Collateral Agency Agreement"). Pursuant to the Collateral Agency Agreement, the Prepetition FLMO Term Loan Agent, on behalf of the Prepetition FLMO Secured Parties, agreed, among other things: (a) to subordinate the Prepetition FLMO Secured Parties' rights in the Prepetition Collateral (and proceeds thereof) to those of the Prepetition RBL Secured Parties; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted,

by the Prepetition RBL Secured Parties and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(vii) *Prepetition First Lien Last-Out Term Facility*. Pursuant to the Credit Agreement, dated as of August 12, 2016 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition FLLO Term Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined in the Prepetition FLLO Term Credit Agreement), collectively, the "Prepetition FLLO Term Loan Documents") by and among (a) CRC, as borrower (the "FLLO Term Loan Borrower"), (b) the lenders party thereto (collectively, the "Prepetition FLLO Term Loan Lenders", and together with the Secured Parties (as defined in the Prepetition FLLO Term Credit Agreement), the "Prepetition FLLO Secured Parties", and together with the Prepetition RBL Secured Parties and the Prepetition FLMO Secured Parties, the "Prepetition Senior Secured Parties") and (c) BNYM, as administrative agent and collateral agent (in such capacities, the "Prepetition FLLO Term Loan Agent"), the FLLO Term Loan Lenders provided term loans and other financial accommodations to the FLLO Term Loan Borrower, which were guaranteed by the guarantors party to the Guarantee, dated as of August 12, 2016 (together with the FLLO Term Loan Borrower, the "Prepetition FLLO Term Loan Parties").

(viii) *Prepetition First Lien Last-Out Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition FLLO Term Loan Parties were jointly and severally indebted to the Prepetition FLLO Term Loan Lenders in the aggregate principal amount of $1,000,000,000, *plus* accrued but unpaid interest, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the FLLO Term Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition FLLO Term Loan Documents (collectively, including any Obligations (as defined in the Prepetition FLLO Term Credit Agreement), the "Prepetition FLLO Obligations", and together with the Prepetition RBL Obligations and Prepetition FLMO Obligations, the "Prepetition Senior Obligations").

(ix) *Prepetition FLLO Liens*. To secure the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Parties granted to BNYM, as Prepetition FLLO Term Loan Agent, for the benefit of itself and the Prepetition FLLO Secured Parties, properly perfected and continuing first-priority "last-out" liens, mortgages and security interests (collectively, the "Prepetition FLLO Liens") in the Prepetition Collateral. The Prepetition FLLO Liens are *pari passu* with the Prepetition Senior Liens, subject to the terms of the Pari Passu Intercreditor Agreement (as defined below).

(x) *Pari Passu Intercreditor Agreement*. The Prepetition RBL Agent, Prepetition FLMO Term Loan Agent and Prepetition FLLO Term Loan Agent are party to the Pari Passu Intercreditor Agreement, dated as of August 15, 2016 (as amended, supplemented or otherwise modified from time to time, the "Pari Passu Intercreditor Agreement"), which governs the relative rights and remedies of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties,

on the one hand, and the Prepetition FLLO Secured Parties, on the other hand, and the relative priority of their respective security interests in the Prepetition Collateral. Pursuant to the Pari Passu Intercreditor Agreement, the Prepetition FLLO Term Loan Agent, on behalf of the Prepetition FLLO Secured Parties, agreed, among other things: (a) to subordinate the Prepetition FLLO Secured Parties' rights in the Prepetition Collateral (and proceeds thereof) to those of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted, by the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(xi) *Prepetition Second Lien Notes*. CRC issued its 8.00% Senior Secured Second Lien Notes due 2022 (the "Prepetition Second Lien Notes") pursuant to that certain Indenture, dated as of December 15, 2015 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition Second Lien Indenture", and together with all other agreements, documents, instruments and certificates executed or delivered in connection, collectively, the "Prepetition Second Lien Documents", and together with the Prepetition RBL Loan Documents, the Prepetition FLMO Term Loan Documents and the Prepetition FLLO Term Loan Documents, the "Prepetition Debt Documents"), by and among (a) CRC, as issuer (the "Second Lien Issuer"), (b) the guarantors party thereto (together with the Second Lien Issuer, the "Prepetition Second Lien Note Parties") and (c) BNYM, as trustee and collateral trustee (in such capacities, the "Prepetition Second Lien Collateral Trustee") for the equal and ratable benefit of the holders of notes issued pursuant thereto (the "Prepetition Second Lien Noteholders", and together with the Prepetition Second Lien Collateral Trustee, the "Prepetition Second Lien Secured Parties", and together with the Prepetition Senior Secured Parties, the "Prepetition Secured Parties").

(xii) *Prepetition Second Lien Note Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition Second Lien Note Parties were jointly and severally indebted to the Prepetition Second Lien Noteholders in the aggregate principal amount of $1,809,000,000, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition Second Lien Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition Second Lien Documents (collectively, including any Obligations (as defined in the Prepetition Second Lien Indenture), the "Prepetition Second Lien Note Obligations", and together with the Prepetition RBL Obligations, the Prepetition FLMO Obligations and the Prepetition FLLO Obligations, the "Prepetition Obligations").

(xiii) *Prepetition Second Lien Collateral*. To secure the Prepetition Second Lien Note Obligations, the Second Lien Note Parties granted to the Prepetition Second Lien Collateral Trustee, for the benefit of itself and the Prepetition Second Lien Secured Parties, properly perfected and continuing junior-priority liens, mortgages and security interests (collectively, the "Prepetition

Second Liens", and together with the Prepetition Senior Liens and the Prepetition FLLO Liens, the "Prepetition Liens") in the Prepetition Collateral.[4]

(xiv) *Second Lien Intercreditor Agreement.* The Prepetition RBL Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee are party to that certain Intercreditor Agreement dated as of December 15, 2015 (as amended, supplemented or otherwise modified from time to time, the "Second Lien Intercreditor Agreement", and together with the Pari Passu Intercreditor Agreement and Collateral Agency Agreement, the "Intercreditor Agreements"). Pursuant to the Second Lien Intercreditor Agreement, the Prepetition Second Lien Collateral Trustee, on behalf of the Prepetition Second Lien Secured Parties agreed, among other things: (a) that the Prepetition Senior Liens and the Prepetition FLLO Liens on the Prepetition Collateral are senior in all respects to the Prepetition Second Liens; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted, by the Prepetition RBL Secured Parties, the Prepetition FLMO Secured Parties, and the Prepetition FLLO Secured Parties, and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(xv) *Validity and Enforceability of Prepetition RBL Obligations and Prepetition Senior Liens*. (a) The Prepetition Senior Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition RBL Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Senior Liens are senior in priority over any and all other liens on the Prepetition Collateral (other than (x) liens expressly permitted to be senior to all Prepetition Senior Liens under the Prepetition RBL Credit Agreement, solely to the extent such permitted liens were existing, valid, enforceable, properly perfected and non-avoidable as of the Petition Date or that are perfected subsequent thereto as permitted by section 546(b) of the Bankruptcy Code (the "Permitted Prior Liens") and (y) the Prepetition FLLO Liens (which are *pari passu* with the Prepetition Senior Liens)); (c) the Prepetition RBL Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition RBL Loan Parties, enforceable in accordance with the terms of the Prepetition RBL Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims (as defined in the Bankruptcy Code), counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition RBL Obligations, the Prepetition RBL Loan Documents or the Prepetition Senior Liens and (B) assert any and all Claims or causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition RBL Secured Parties

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[4] For purposes of these stipulations, all references to Prepetition Collateral as to the Prepetition RBL Secured Parties, the Prepetition FLMO Secured Parties, the Prepetition FLLO Secured Parties and the Prepetition Second Lien Secured Parties excludes the "Excluded Property" as defined in each of the Prepetition RBL Credit Agreement, Prepetition FLMO Credit Agreement, Prepetition FLLO Credit Agreement and Prepetition Second Lien Indenture, respectively.

and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition RBL Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition RBL Loan Documents, the Prepetition Senior Liens or the Prepetition RBL Obligations, the Debtors' attempts to restructure the Prepetition RBL Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xvi) *Validity and Enforceability of Prepetition FLMO Obligations and Prepetition Senior Liens*. (a) The Prepetition Senior Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition FLMO Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Senior Liens are senior in priority over any and all other liens on the Prepetition Collateral (other than (x) Permitted Prior Liens and (y) the Prepetition FLLO Liens (which are *pari passu* with the Prepetition Senior Liens)); (c) the Prepetition FLMO Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition FLMO Term Loan Parties, enforceable in accordance with the terms of the Prepetition FLMO Term Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition FLMO Obligations, the Prepetition FLMO Term Loan Documents or the Prepetition Senior Liens and (B) assert any and all Claims, causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition FLMO Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition FLMO Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition FLMO Term Loan Documents, the Prepetition Senior Liens, the Prepetition FLMO Obligations, the Debtors' attempts to restructure the Prepetition FLMO Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim

Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xvii) *Validity and Enforceability of Prepetition FLLO Liens and Prepetition FLLO Obligations*. (a) The Prepetition FLLO Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition FLLO Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition FLLO Liens are *pari passu* with the Prepetition Senior Liens, subject to the Pari Passu Intercreditor Agreement, and senior in priority over any and all other liens on the Prepetition Collateral (other than any Permitted Prior Liens); (c) the Prepetition FLLO Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition FLLO Term Loan Parties, enforceable in accordance with the terms of the Prepetition FLLO Term Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Documents or the Prepetition FLLO Liens, respectively, and (B) assert any and all Claims, causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition FLLO Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition FLLO Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition FLLO Term Loan Documents, the Prepetition FLLO Liens, the Prepetition FLLO Obligations, the Debtors' attempts to restructure the Prepetition FLLO Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xviii) *Validity and Enforceability of Prepetition Second Liens and Prepetition Second Lien Note Obligations*. The Debtors acknowledge and agree that, as of the Petition Date: (a) The Prepetition Second Liens are valid, binding, enforceable, non-avoidable and properly perfected liens that were granted to, or for the benefit of, the Prepetition Second Lien Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Second Liens are junior in priority to the Permitted Prior Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, and are subject to the Second Lien Intercreditor Agreement; (c) the Prepetition Second Lien Note

Obligations constitute legal, valid, binding and non-avoidable obligations of the Second Lien Note Parties, enforceable in accordance with the terms of the Prepetition Second Lien Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition Second Lien Note Obligations, the Prepetition Second Lien Documents or the Prepetition Second Liens, respectively, and (B) assert any and all Claims or causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition Second Lien Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition Second Lien Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition Second Lien Documents, the Prepetition Second Liens or the Prepetition Second Lien Note Obligations, the Debtors' attempts to restructure the Prepetition Second Lien Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xix) *Cash Collateral*. All of the Debtors' cash existing on the Petition Date, wherever located (including, without limitation, any cash in deposit accounts of the Debtors or otherwise) constitutes cash collateral of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code to the extent that such cash constitutes Prepetition Collateral (subject in all respects to the Intercreditor Agreements) (the "Cash Collateral").

(xx) *No Control*. None of the Prepetition Secured Parties controls the Debtors or their properties or operations, has authority to determine the manner in which any of the Debtors' operations are conducted, or is a control person or insider of the Debtors or any of their affiliates by virtue of the actions taken with respect to, in connection with, related to, or arising from this Interim Order, the DIP Facilities, the DIP Loan Documents or the Prepetition Debt Documents.

F. *Findings Regarding Postpetition Financing*.

(i) *Request for Postpetition Financing*. The Debtors seek authority to (a) enter into the DIP Facilities on the terms described herein and in the DIP Loan Documents and (b) use Cash Collateral on the terms described herein and in the DIP Loan Documents in order to administer

the Chapter 11 Cases and fund their operations. At the Final Hearing, the Debtors will seek final approval of the DIP Loan Documents, the proposed postpetition financing arrangements, and use of Cash Collateral arrangements pursuant to the Final Order. Notice of the Final Hearing and Final Order will be provided in accordance with this Interim Order.

(ii) *Good Cause*. Good cause has been shown for entry of this Interim Order.

(iii) *Priming of Prepetition Liens.* The priming of the Prepetition Liens on the Prepetition Collateral under section 364(d)(1) of the Bankruptcy Code, as contemplated by this Interim Order and the DIP Facilities and as further described below, will enable the Debtors to obtain the DIP Facilities and to preserve and maximize the value of their estates to the benefit of their stakeholders. The Prepetition RBL Agent, on behalf of the Prepetition RBL Secured Parties, consents to the priming of the Prepetition Senior Liens as provided by and subject to the terms of this Interim Order and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; *provided*, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition RBL Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents, (y) be construed as a consent by the Prepetition RBL Secured Parties to the terms of any other financing, other than the DIP Facilities, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition RBL Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition RBL Secured Parties. The Prepetition FLMO Term Loan Agent, on behalf of the Prepetition FLMO Secured Parties, has consented or (pursuant to the Collateral Agency Agreement) is deemed to consent to the priming of the Prepetition Senior Liens, the use of Cash

Collateral and the adequate protection pursuant to the DIP Facilities as provided in this Interim Order on the date hereof and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; *provided*, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition FLMO Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents as in effect on the date hereof, (y) be construed as a consent by the Prepetition FLMO Secured Parties to the terms of any other financing, other than the DIP Facilities as in effect on the date hereof, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition FLMO Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition FLMO Secured Parties. The Prepetition FLLO Term Loan Agent, on behalf of the Prepetition FLLO Secured Parties, has consented or (pursuant to the Pari Passu Intercreditor Agreement) is deemed to consent to the priming of the Prepetition FLLO Liens, the use of Cash Collateral and the adequate protection pursuant to the DIP Facilities as provided in this Interim Order on the date hereof and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; *provided*, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition FLLO Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents as in effect on the date hereof, (y) be construed as a consent by the Prepetition FLLO Secured Parties to the terms of any other financing, other than the DIP Facilities as in effect on the date hereof, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition

FLLO Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition FLLO Secured Parties. The Prepetition Second Lien Collateral Trustee, on behalf of the Prepetition Second Lien Secured Parties, has consented or (pursuant to the Second Lien Intercreditor Agreement) is deemed to consent to the priming of the Prepetition Second Liens, the use of Cash Collateral and the adequate protection provided in this Interim Order and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; ***provided***, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition Second Lien Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents, (y) be construed as a consent by the Prepetition Second Lien Secured Parties to the terms of any other financing, other than the DIP Facilities, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition Second Lien Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition Second Lien Secured Parties;.

(iv) *Immediate Need for Postpetition Financing and Use of Cash Collateral*. The Debtors' need to use Cash Collateral and to obtain credit pursuant to the Senior DIP Facility as provided for herein is immediate and necessary to avoid serious and irreparable harm to the Debtors, their estates, their creditors and other parties-in-interest, and to enable the Debtors to, among other things, fund the costs of these Chapter 11 Cases, make payroll and satisfy other working capital and general corporate purposes, administer and preserve the value of their estates. The Debtors'

need to obtain credit pursuant to the Junior DIP Facility to refinance the Prepetition RBL Obligations is a critical requirement to permit the Debtors to obtain financing under the Senior DIP Facility insofar as the Senior DIP Lenders have informed the Debtors that they will not make the Senior DIP Facility available without such refinancing. Repayment in full of the Prepetition RBL Obligations with the initial proceeds of the DIP Loans is appropriate because (i) the aggregate value of the Prepetition Collateral securing the Prepetition RBL Obligations exceeds the aggregate amount of the Prepetition RBL Obligations, (ii) the Prepetition RBL Lenders' senior liens and over-secured claims effectively preclude a non-consensual priming debtor-in-possession or exit financing facility and will require the payment in full of the Prepetition RBL Obligations in connection with these Chapter 11 Cases, (iii) it is a condition to closing the Senior DIP Credit Agreement, which provides liquidity to fund these Chapter 11 Cases and working capital during these Chapter 11 Cases, that the initial proceeds of the DIP Loans be used to repay the Prepetition RBL Obligations so that the Debtors' assets that secure the Prepetition RBL Obligations on a first lien basis will be available to secure on a priming lien basis the Senior DIP Obligations, and (iv) the Restructuring Support Agreement[5] among the Debtors and the Consenting Creditors (as defined therein) requires the Debtors to use the initial proceeds from the DIP Loans to repay Prepetition RBL Obligations and the failure to make such payment would give the Consenting Creditors the right to terminate the Restructuring Support Agreement. The ability of the Debtors to finance their operations, maintain business relationships with their vendors and suppliers, and pay their employees requires the availability of working capital from the Senior DIP Facility and the use of Cash Collateral. The Debtors' inability to access the interim financing under the DIP Facilities and use Cash Collateral

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5 "Restructuring Support Agreement" refers to that certain Restructuring Support Agreement, dated as of July 15, 2020, by and among CRC and each of its affiliates party thereto, the Consenting 2016 Term Loan Lenders, the Consenting 2017 Term Loan Lenders, the Consenting Second Lien Noteholders, and Ares.

will immediately and irreparably harm the Debtors, their estates, their creditors, and the Debtors' chances to successfully reorganize. The Debtors do not have sufficient available sources of unencumbered working capital and financing to operate their businesses or maintain their properties in the ordinary course of business without the DIP Facilities and authorized use of Cash Collateral. The terms of the DIP Facilities, the DIP Loan Documents and this Interim Order are fair and reasonable, reflect the Debtors' exercise of sound business judgment and are supported by reasonably equivalent value.

(v) *No Credit Available on More Favorable Terms.* The DIP Facilities are the best sources of debtor-in-possession financing available to the Debtors. Given their current financial condition, financing arrangements, and capital structure, the Debtors have been unable to obtain financing from sources other than the DIP Lenders on terms more favorable than those provided under the DIP Facilities and the DIP Loan Documents. The Debtors have been unable to obtain sufficient unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. The Debtors also have been unable to obtain sufficient credit (a) having priority over administrative expenses of the kind specified in sections 503(b), 507(a) and 507(b) of the Bankruptcy Code, (b) secured by a lien on property of the Debtors and their estates that is not otherwise subject to a lien, or (c) secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. Postpetition financing is not otherwise available without granting each DIP Agent, for the benefit of itself and the respective DIP Secured Parties: (1) the DIP Liens (as defined below) on all DIP Collateral, as set forth herein; (2) the Superpriority DIP Claims (as defined below); and (3) the refinancing of the Prepetition RBL Obligations as set forth herein and the other protections set forth in this Interim Order. After considering all alternatives, the Debtors have properly concluded, in the exercise of their sound business judgment, that the DIP Facilities

represent the best financing available to them at this time, and is in the best interests of all of their stakeholders.

(vi) *Use of Proceeds of the DIP Facilities and Cash Collateral.* As a condition to entry into the DIP Credit Agreements, the extension of credit under the DIP Facilities and the authorization to use Cash Collateral (including, without limitation, the proceeds of the DIP Facilities), the DIP Agents, the DIP Lenders, and the Prepetition Secured Parties require, and the Debtors have agreed, that Cash Collateral and the proceeds of the DIP Facilities shall be used only in a manner consistent with the terms and conditions of the DIP Loan Documents and this Interim Order (including to refund, refinance, replace and repay the RBL Loans and to reimburse any drawn amount of the DIP Letters of Credit), and solely in accordance with the Approved Budget (subject to Permitted Variances).

G. *Adequate Protection*. The Prepetition Secured Parties have consented, or have been deemed to consent, as applicable, to the subordination of their respective liens to the DIP Liens and the Carve Out, and the Prepetition Secured Parties have agreed, or have been deemed to agree, to permit the Debtors' use of Prepetition Collateral (including Cash Collateral), in each case, in accordance with and subject to the terms hereof, the Approved Budget (subject to Permitted Variances) and the DIP Loan Documents. Subject to the Intercreditor Agreements, the Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363, 364 and 507 of the Bankruptcy Code, to adequate protection against the diminution in value of their respective interests in the Prepetition Collateral (including Cash Collateral) for any reason provided for and allowed by the Bankruptcy Code (collectively, the "Diminution in Value"), including, without limitation, any diminution resulting from the sale, lease or use by the Debtors of the Prepetition Collateral, the priming of the Prepetition Liens by the DIP Liens pursuant to the DIP Documents and this Interim

Order, the payment of any amounts under the Carve Out or pursuant to this Interim Order, the Final Order or any other order of the Court or provision of the Bankruptcy Code or otherwise, and the imposition of the Automatic Stay.

H. *Sections 506(c), 552(b), and Waiver of Marshaling*. As a material inducement to the DIP Lenders to agree to provide the DIP Facilities, and in light of (a) the DIP Secured Parties' agreement to subordinate their liens and superpriority claims to the Carve Out to the extent set forth herein, and (b) the Prepetition Secured Parties' agreement to (i) subordinate the Prepetition Liens and the Adequate Protection Liens (as defined below) to the DIP Liens, the Superpriority DIP Claims and the Carve Out (to the extent provided herein), and (ii) consent to the use of Cash Collateral in accordance with and subject to the Approved Budget (subject to Permitted Variances), the DIP Loan Documents and the terms of this Interim Order: (a) the DIP Agents, the DIP Lenders and the Prepetition Secured Parties are each entitled to receive a waiver of (x) the provisions of section 506(c) of the Bankruptcy Code and (y) application of the equitable doctrine of marshaling and other similar doctrines; and (b) the Prepetition Secured Parties are each entitled to receive a waiver of any "equities of the case" exceptions or claims under section 552(b) of the Bankruptcy Code, in each case, subject to the terms and conditions set forth in this Interim Order;

I. *Good Faith of the DIP Agents and the DIP Lenders*.

(i) *Willingness to Provide Financing*. The DIP Secured Parties have indicated a willingness to provide postpetition financing to the Debtors subject to, among other things: (a) the entry by the Court of this Interim Order and the Final Order; (b) approval by the Court of the terms and conditions of the DIP Facilities and the DIP Loan Documents; and (c) entry of findings by the Court that such financing is essential to the Debtors' estates, that the DIP Agents and the DIP Secured Parties are extending postpetition credit to the Debtors pursuant to the DIP Loan Documents and

this Interim Order in good faith, and that the DIP Agents' and DIP Secured Parties' claims, superpriority claims, security interests and liens and other protections granted pursuant to this Interim Order and the DIP Loan Documents will have the protections provided in section 364(e) of the Bankruptcy Code and will not be affected by any subsequent reversal, modification, vacatur, amendment, reargument or reconsideration of this Interim Order or any other order.

(ii) *Business Judgment and Good Faith Pursuant to Section 364(e)*. The terms and conditions of the DIP Facilities, including the extension of credit, the fees, and other amounts paid and to be paid thereunder, and the Cash Collateral arrangements described therein and herein: (a) are fair and reasonable; (b) are the best available to the Debtors under the circumstances; (c) reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties; and (d) are supported by reasonably equivalent value and fair consideration. The DIP Facilities and the use of Cash Collateral were negotiated in good faith and at arms' length among the Debtors, the DIP Agents, the DIP Secured Parties and the applicable Prepetition Secured Parties. The credit to be extended under the DIP Facilities shall be deemed to have been so advanced, made, used and/or extended in good faith, and for valid business purposes and uses, within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Agents and the DIP Secured Parties are therefore entitled to the protection and benefits of section 364(e) of the Bankruptcy Code and this Interim Order.

J. *Notice*. Notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by the Debtors, whether by email, facsimile, overnight courier or hand delivery, to certain parties-in-interest, including: (a) the U.S. Trustee; (b) the Debtors' 30 largest unsecured creditors (on a consolidated basis), (c) those persons who have formally appeared in

these chapter 11 cases and requested service pursuant to Bankruptcy Rule 2002; (d) the Securities and Exchange Commission; (e) the Internal Revenue Service; (f) all other applicable government agencies to the extent required by the Bankruptcy Rules or the Bankruptcy Local Rules; (g) counsel to the Senior DIP Agent; (h) counsel to the Junior DIP Agent; (i) counsel to the ad hoc group of Prepetition FLMO Secured Parties and Prepetition FLLO Secured Parties (which includes as members the Junior DIP Lenders) (the "Ad Hoc First Lien Group"); (j) counsel to the ad hoc group of Prepetition Second Lien Noteholders; (k) counsel to the Prepetition RBL Agent; (l) counsel to the Prepetition FLMO Term Loan Agent; (m) counsel to the Prepetition FLLO Term Loan Agent; (n) counsel to the Prepetition Second Lien Collateral Trustee; and (o) all other known parties with liens of record on assets of the Debtors as of the Petition Date (collectively, the "Notice Parties"). The Debtors have made reasonable efforts to afford the best notice possible under the circumstances and such notice is good and sufficient to permit the interim relief set forth in this Interim Order.

K. *Necessity of Immediate Entry*. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent entry of this Interim Order, the Debtors' businesses, properties and estates will be immediately and irreparably harmed. The Court concludes that entry of this Interim Order is in the best interest of the Debtors' estates and creditors.

NOW THEREFORE, based upon the foregoing findings and conclusions, the Motion, the First Day Declarations, the Mendelsohn Declaration and the record made before the Court with respect to the Motion at the Interim Hearing and otherwise, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, THAT:

1. Motion Approved. The Motion is hereby granted on an interim basis, on the terms and conditions set forth in this Interim Order and the DIP Loan Documents. All formal and informal objections to the interim relief sought in the Motion or to the entry of this Interim Order, to the extent not withdrawn or resolved, and all reservation of rights included therein, are hereby overruled.

2. Authorization of the DIP Facilities.

(a) Each DIP Facility is hereby approved. The Debtors are hereby expressly and immediately authorized and empowered (a) to establish the Senior DIP Facility and the Junior DIP Facility, (b) to execute, deliver and perform under the Senior DIP Loan Documents and the Junior DIP Loan Documents, and to borrow, incur, guarantee (as applicable), perform and pay the Senior DIP Obligations and the Junior DIP Obligations and create and grant the DIP Liens in the DIP Collateral in favor of the Senior DIP Agent for the benefit of the Senior DIP Secured Parties and in favor of the Junior DIP Agent for the benefit of the Junior DIP Secured Parties, in each case, in accordance with and subject to the terms of this Interim Order, the Approved Budget (subject to Permitted Variances) and the Senior DIP Loan Documents and Junior DIP Loan Documents, as applicable, (c) to execute, deliver and perform under any and all other instruments, certificates, agreements and documents which may be requested by either DIP Agent or the DIP Secured Parties, and (d) to take any and all other actions, which may be required, necessary or prudent for the performance by the applicable Debtors under the Senior DIP Facility, the Junior DIP Facility, the Senior DIP Loan Documents or the Junior DIP Loan Documents, the creation and perfection of the DIP Liens or to implement any of the transactions contemplated by the Senior DIP Loan Documents, the Junior DIP Loan Documents or this Interim Order. Without limiting the foregoing, the Debtors are hereby authorized and directed to pay, in accordance with this Interim Order (subject to paragraph 22(c) hereof), all Senior DIP Obligations and Junior DIP Obligations, which amounts are hereby

approved, shall not be subject to further approval of this Court and shall be non-refundable and not subject to challenge in any respect. Upon execution and delivery, the Senior DIP Loan Documents and the Junior DIP Loan Documents shall represent valid and binding obligations of the Debtors, enforceable against each of the Debtors and their estates, and the Senior DIP Obligations and Junior DIP Obligations shall be due and payable, in each case, in accordance with the terms of this Interim Order (subject to paragraph 22(c) hereof) and the Senior DIP Loan Documents and Junior DIP Loan Documents, respectively.

(b) For purposes hereof, the term "Senior DIP Obligations" means all "Obligations" (or any similar term that has a comparable meaning) as defined in the Senior DIP Credit Agreement, and shall include, without limitation, principal, interest, fees, costs, premiums, original issue discount, expenses, charges, prepayment premiums or similar amounts, any obligations in respect of indemnity claims, whether contingent or absolute, or any other amounts that are or may become due under the Senior DIP Loan Documents, including the Commitment Letter and the Fee Letter, in each case, whether or not such obligations arose before or after the Petition Date, as such amounts become earned, due and payable under the Senior DIP Loan Documents, without the need to obtain further Court approval. For purposes hereof, the term "Junior DIP Obligations" means all "Obligations" (or any similar term that has a comparable meaning) as defined in the Junior DIP Credit Agreement, and shall include, without limitation, principal, interest, fees, costs, premiums, original issue discount, expenses, charges, prepayment premiums or similar amounts, any obligations in respect of indemnity claims, whether contingent or absolute, or any other amounts that are or may become due under the Junior DIP Loan Documents whether or not such obligations arose before or after the Petition Date, as such amounts become earned, due and

payable under the Junior DIP Loan Documents, without the need to obtain further Court approval. The rights and remedies, and priority of payments, as between the Senior DIP Obligations and the Junior DIP Obligations are set forth in this Interim Order, which provisions shall govern notwithstanding anything to the contrary in any Senior DIP Loan Documents or Junior DIP Loan Documents. For purposes hereof, the term "DIP Obligations" means the Senior DIP Obligations and the Junior DIP Obligations.

(c) All outstanding RBL Letters of Credit are hereby deemed reissued as DIP Letters of Credit under the Senior DIP Facility.

(d) In addition, the Debtors shall pay to each Junior DIP Lender an Exit Premium (the "Exit Premium") in an amount equal to 2.50% of the aggregate principal amount of such Junior DIP Lender's allocated share of the Junior DIP Facility commitments in effect on the closing date of the Junior DIP Facility (the "Junior DIP Facility Closing Date") (prior to the funding the loans thereunder), which Exit Premium shall be payable by the Debtors in common stock of the reorganized Debtors solely on the effective date of the Plan (as defined in the Restructuring Support Agreement) at a price per share corresponding to the Set-Up Equity Value (as defined in the Restructuring Support Agreement); *provided* that the Exit Premium shall be payable without prejudice to Ares' rights under the Restructuring Support Agreement; and *provided further* that no Exit Premium shall be payable by the Debtors unless the Restructuring Support Agreement has been executed and delivered by both of (a) each Junior DIP Lender holding 2017 Term Loan Claims (as defined in the Restructuring Support Agreement) and (b) the holders of at least two-thirds in principal amount of the Deficiency/Unsecured Debt Claims (as defined in the Restructuring Support Agreement). The Exit Premium shall be deemed fully earned on the Junior DIP Facility Closing Date and payable on the effective date of the Plan (as defined in the Restructuring Support Agreement) but shall not

be payable in any circumstance other than on the Plan Effective Date (as defined in the Restructuring Support Agreement). Notwithstanding any contrary provision of this Order, any party in interest may request reconsideration of the authorization of this Exit Premium within fourteen (14) days of the entry of this Order and the Court may rescind, modify or condition such authorization as it determines appropriate in response to a timely request for reconsideration. If no request for reconsideration is timely received, the authorization of the Exit Premium shall be subject to Section 364(e) and the applicable provisions of this Order to the same extent as the authorization of the other terms of the Junior DIP Facility.

3. Authorization to Borrow. To prevent immediate and irreparable harm to the Debtors' estates, the Debtors are hereby authorized to borrow the Senior DIP Loans from the Senior DIP Lenders under the Senior DIP Facility, issue DIP Letters of Credit (including by having all RBL Letters of Credit deemed issued as DIP Letters of Credit) and use Senior DIP Loans under the New Money Subfacility to pay any reimbursement obligations in respect of any drawn DIP Letters of Credit (and the DIP Guarantors are hereby authorized to unconditionally guarantee, on a joint and several basis, the repayment of the Senior DIP Facility) up to an aggregate principal amount of $349,010,655.62, comprised of (a) $266,139,598.62 of Senior DIP Loans under the Senior New Money Subfacility, of which (i) $150,139,598.62 is available to deem the RBL Letters of Credit as being issued under the Senior New Money Subfacility as DIP Letters of Credit, , and (ii) an additional amount not to exceed $31,000,000 is available to issue new DIP Letters of Credit to backstop surety bonds, and (iii) up to $85,000,000 is available for new money Senior DIP Loans and (b) the $82,871,057.00 Senior Roll-Up Subfacility, in each case subject to the terms and conditions set forth in this Interim Order and the Senior DIP Loan Documents. Subject to and effective upon entry of the Final Order, the Debtors shall be authorized to borrow the full amount of the Senior DIP

Loans from the Senior DIP Lenders under the Senior DIP Facility ($483,010,655.62). To prevent immediate and irreparable harm to the Debtors' estates, the Debtors are also hereby authorized to borrow the full amount of the Junior DIP Loans ($650,000,000) from the Junior DIP Lenders under the Junior DIP Facility (and the DIP Guarantors are hereby authorized to unconditionally guarantee, on a joint and several basis, the repayment of the Junior DIP Facility), subject to the terms and conditions set forth in this Interim Order and the Junior DIP Loan Documents. The Debtors are authorized and directed to use the proceeds of the Senior Roll-Up Subfacility ($82,871,057.00) and the Junior DIP Facility on the closing date of the Senior DIP Facility and the Junior DIP Facility to repay the outstanding RBL Loans, which repayment shall be subject to paragraph 29 hereof. The Senior DIP Secured Parties and Junior DIP Secured Parties shall have no obligation to make any loan or advance under the respective DIP Loan Documents or, with respect to the Senior DIP Secured Parties, issue any DIP Letter of Credit unless all of the conditions precedent to the making of such extension of credit under the applicable DIP Loan Documents and this Interim Order have been satisfied in full or waived in accordance with such DIP Loan Documents.

4. DIP Obligations. This Interim Order and the Senior DIP Loan Documents and the Junior DIP Loan Documents shall evidence the Senior DIP Obligations and Junior DIP Obligations respectively, which DIP Obligations shall, upon execution of the Senior DIP Loan Documents and Junior DIP Loan Documents, as applicable, be valid, binding and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any estate representative or trustee appointed in any of the Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or related to any of the foregoing, and/or upon the dismissal of any of the Chapter 11 Cases or any such successor cases (collectively, the "Successor Cases"), and their creditors and other parties-in-

interest, in each case, in accordance with the terms of this Interim Order and the applicable DIP Loan Documents. All obligations incurred, payments made, and transfers or grants of security and liens set forth in this Interim Order and/or the DIP Loan Documents by any Debtor are granted to or for the benefit of the Debtors for fair consideration and reasonably equivalent value, and are granted contemporaneously with the making of the loans and/or commitments and other financial accommodations secured thereby. Subject to paragraph 29 hereof with respect to the repayment of the Prepetition RBL Obligations, no obligation, payment, transfer, or grant of security or lien hereunder and/or under any DIP Loan Documents (including any Senior DIP Obligation, Junior DIP Obligations or DIP Liens) shall be stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 502(d), 544 and 547 to 550 of the Bankruptcy Code or under any applicable state Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counter-claim, cross-claim, defense, or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity.

5. DIP Liens.

(a) As security for the Senior DIP Obligations, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Senior DIP Agent, for the benefit of itself and each of the other Senior DIP Secured Parties, is hereby granted continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected security interests in and liens (collectively, the "Senior DIP Liens") on all DIP Collateral as collateral security for the prompt and

complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of all of the Senior DIP Obligations. Subject in all respects to the priorities and relative rights set forth herein, as security for the Junior DIP Obligations, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Junior DIP Agent, for the benefit of itself and each of the other Junior DIP Secured Parties, is hereby granted continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected security interests in and liens (collectively, the "Junior DIP Liens", together with the Senior DIP Liens, the "DIP Liens") on all DIP Collateral as collateral security for the prompt and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of all of the Junior DIP Obligations.

(b) The term "DIP Collateral" means, without limitation, all assets and properties (whether tangible, intangible, real, personal or mixed) of the Debtors, whether now owned by or owing to, or hereafter acquired by, or arising in favor of, the Debtors (including under any trade names, styles, or derivations thereof), and whether owned or consigned by or to, or leased from or to, the Debtors, and regardless of where located, including, without limitation, all of the Debtors' rights, title and interest in: (i) all Prepetition Collateral (including any Cash Collateral); (ii) all cash and cash equivalents; (iii) all funds in any deposit account, securities account or other account of the Debtors and all money, cash, cash equivalents, instruments and other property deposited therein or credited thereto from time to time; (iv) all accounts and other receivables; (v) all contract rights; (vi) all instruments, documents and chattel paper; (vii) all securities (whether or not marketable); (viii) all goods, as-extracted collateral, furniture, equipment, inventory and fixtures; (ix) all real property interests; (x) all interests in leaseholds, (xi) all franchise rights; (xii) all patents, tradenames, trademarks (other than intent-to-use trademarks), copyrights, licenses and all other

intellectual property; (xiii) all general intangibles, tax or other refunds, or insurance proceeds; (xiv) all equity interests, capital stock, limited liability company interests, partnership interests and financial assets; (xv) all investment property; (xvi) all supporting obligations; (xvii) all letters of credit issued to the Debtors and letter of credit rights; (xviii) commercial tort claims, claims and causes of action and all substitutions; (xix) all books and records (including, without limitation, customers lists, credit files, computer programs, printouts and other computer materials and records); (xxi) to the extent not covered by the foregoing, all other assets or properties of the Debtors, whether tangible, intangible, real, personal or mixed; (xxii) all oil reserves; (xxiii) all proceeds and products of each of the foregoing clauses (i)-(xxii) and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, including any and all proceeds of any insurance, indemnity, warranty or guaranty payable to such Debtor from time to time with respect to any of the foregoing; and (xxiv) all proceeds or property recovered in connection with actions under chapter 5 of the Bankruptcy Code ("Avoidance Actions"), *provided*, that (x) the DIP Liens on proceeds and property recovered in connection with Avoidance Actions shall attach only upon entry of the Final Order and (y) the DIP Collateral shall not include any property that would have been Excluded Property (as defined in the Senior DIP Credit Agreement) prior to giving effect to this Interim Order.

(c) To the fullest extent permitted by the Bankruptcy Code or applicable law, any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent or the payment of any fees or obligations to any governmental entity or non-governmental entity in order for the Debtors to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest or the proceeds thereof or other DIP Collateral, shall have no force or effect with

respect to the grant, attachment or perfection of DIP Liens on such leasehold interests or other applicable DIP Collateral or the proceeds of any assignment and/or sale thereof by any Debtor in favor of the DIP Secured Parties in accordance with the terms of the applicable DIP Loan Documents and this Interim Order or in favor of the Prepetition Secured Parties in accordance with this Interim Order.

6. Priority of Senior DIP Liens.

(a) The Senior DIP Liens shall have the following priorities:

(i) pursuant to section 364(c)(2) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected first priority liens on and security interests in all DIP Collateral that is not otherwise subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date or valid liens perfected (but not granted) after the Petition Date to the extent such post-petition perfection is permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out, including without limitation, any and all unencumbered cash, hydrocarbons and other inventory generated or produced after the Petition Date, accounts receivable, inventory, general intangibles, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, vehicles, deposit accounts, patents, copyrights, trademarks, tradenames, rights under license agreements and other intellectual property, capital stock of the subsidiaries of the Debtors and the proceeds of all of the foregoing (collectively, such DIP Collateral, "Unencumbered Assets");

(ii) pursuant to section 364(c)(3) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected junior liens on and security interests in all DIP Collateral other than Prepetition Collateral, that on or as of the Petition Date is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition

Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out and such Permitted Prior Liens; and

(iii) pursuant to section 364(d)(1) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable automatically and fully perfected first priority senior priming liens on and security interests in all DIP Collateral that also constitutes Prepetition Collateral, wherever located, which senior priming liens and security interests in favor of the Senior DIP Agent shall prime and be senior to each of the Prepetition Liens, and shall be subject only to the Carve Out.

(b) Except as expressly set forth herein, the Senior DIP Liens and the Senior Superpriority DIP Claims: (i) shall not be made subject to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates, any trustee or any other estate representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the dismissal of any of the Chapter 11 Cases or any Successor Cases, (B) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to sections 510, 549, 550 or 551 of the Bankruptcy Code or, subject to entry of the Final Order, section 506(c) of the Bankruptcy Code.

7. Priority of Junior DIP Liens.

(a) The Junior DIP Liens shall have the following priorities:

(i) pursuant to section 364(c)(2) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected second priority

liens on and security interests in all Unencumbered Assets, subject only to the Carve Out, the Senior DIP Liens and RBL Adequate Protection Liens (as defined below);

(ii) pursuant to section 364(c)(3) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected junior liens on and security interests in all DIP Collateral other than Prepetition Collateral, that on or as of the Petition Date is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out, such Permitted Prior Liens, the Senior DIP Liens and any RBL Adequate Protection Liens; and

(iii) pursuant to section 364(d)(1) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable automatically and fully perfected second priority senior priming liens on and security interests in all DIP Collateral that also constitutes Prepetition Collateral, wherever located, which senior priming liens and security interests in favor of the Junior DIP Agent shall prime and be senior to each of the Prepetition Liens (other than any liens securing the Prepetition RBL Obligations), and shall be subject only to the Carve Out, Permitted Prior Liens, the Senior DIP Liens and liens securing the Prepetition RBL Obligations.

(b) Except as expressly set forth herein (including paragraph 22(c) hereof), the Junior DIP Liens and the Junior Superpriority DIP Claims: (i) shall not be made subject to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates, any trustee or any other estate representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the dismissal of any of the Chapter 11 Cases or any

Successor Cases, (B) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to sections 510, 549, 550 or 551 of the Bankruptcy Code or, subject to entry of the Final Order, section 506(c) of the Bankruptcy Code.

8. Superpriority DIP Claims.

(a) Senior Superpriority Claims. Subject only to the Carve Out, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Senior DIP Agent, for itself and for the benefit of the Senior DIP Lenders, is hereby granted, pursuant to section 364(c)(1) and 364(e) of the Bankruptcy Code, an allowed superpriority administrative expense claim in each of the Chapter 11 Cases or any Successor Cases (the "Senior Superpriority DIP Claims"), on account of the Senior DIP Obligations, (a) with priority over any and all administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses, unsecured claims, or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, and (b) which shall at all times be senior to the rights of the Debtors or their estates, and any trustee appointed in the Chapter 11 Cases or any Successor Cases to the extent permitted by law. The Senior Superpriority DIP Claims shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis.

(b) Junior Superpriority Claims. Subject only to the Carve Out, the Senior Superpriority Claims and the RBL Adequate Protection Claims, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Junior DIP Agent, for itself and for the benefit of the Junior DIP Lenders, is hereby granted, pursuant to section 364(c)(1) and 364(e) of the Bankruptcy Code, an allowed superpriority administrative expense claim in each of the Chapter 11 Cases or any Successor Cases (the "Junior Superpriority DIP Claims", and together with the Senior Superpriority DIP Claims, the "Superpriority DIP Claims"), on account of the Junior DIP Obligations, (a) with priority over any and all administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses, unsecured claims, or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, and (b) which shall at all times be senior to the rights of the Debtors or their estates, and any trustee appointed in the Chapter 11 Cases or any Successor Cases to the extent permitted by law. The Junior Superpriority DIP Claims shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis.

9. Use of DIP Facility Proceeds. From and after the Closing Date, the Debtors shall be permitted to use the proceeds of the DIP Facilities and Cash Collateral only for the following purposes, in each case, solely in accordance with and subject to this Interim Order, the DIP Loan

Documents and the Approved Budget (subject to Permitted Variances): (a) to pay interest, fees, costs and expenses related to the DIP Loans; (ii) to pay the reasonable, documented and invoiced fees, costs and expenses of the estate professionals retained in the Chapter 11 Cases and approved by the Court (the "Estate Professionals"); (iii) to pay the fees, costs, disbursements and expenses of the DIP Secured Parties to the extent provided by the respective DIP Loan Documents; (iv) to make all permitted payments of costs of administration of the Chapter 11 Cases; (v) to pay such prepetition expenses as are consented to in writing by the Senior DIP Agent and the Majority Junior DIP Lenders (as defined below) and approved by the Court; (vi) to satisfy any adequate protection obligations owing under this Interim Order; (vii) to fully repay the Prepetition RBL Obligations; and (viii) for general corporate and working capital purposes of the Debtors during the Chapter 11 Cases.

10. Authorization to Use Cash Collateral. The Debtors are authorized to use Cash Collateral in accordance with the Approved Budget (subject to Permitted Variances) and subject to the terms and conditions of the DIP Loan Documents and this Interim Order, provided that the Prepetition Secured Parties are granted the Adequate Protections as hereinafter set forth. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any of the Debtors' use of any Cash Collateral or other proceeds resulting therefrom, except as permitted under this Interim Order and the DIP Loan Documents and in accordance with the Approved Budget (subject to Permitted Variances). The Prepetition Liens in the Prepetition Collateral, subject to the Intercreditor Agreements, shall continue to attach to the Cash Collateral irrespective of the commingling of the Cash Collateral with other cash of the Debtors (if any). Any failure by the Debtors on or after the Petition Date to comply with the segregation requirements of section 363(c)(4) of the Bankruptcy Code in respect of any

Cash Collateral shall not be used as a basis to challenge the Prepetition Obligations, or the extent, validity, enforceability or perfected status of the Prepetition Liens.

11. Adequate Protection. In consideration for the Debtors' use of the Prepetition Collateral (including Cash Collateral), and to protect the Prepetition Secured Parties against any Diminution in Value of their respective interests in the Prepetition Collateral, the Prepetition Secured Parties shall receive, subject to the Intercreditor Agreements, the following adequate protection:

(a) *RBL Adequate Protection Liens*. Pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Senior Secured Collateral Agent, for the benefit of the Prepetition RBL Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "RBL Adequate Protection Liens") (i) to the extent of any Diminution in Value and (ii) to the extent of any remaining unpaid portion of any Prepetition RBL Obligations (including any indemnity claims arising after the Petition Date and any Prepetition RBL Obligations subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid and the liens securing the Prepetition RBL Obligations shall not have been avoided), which security interests and liens will be junior only to the Senior DIP Liens, the Permitted Prior Liens and the Carve Out, and shall be senior in priority to all other liens, including the Junior DIP Liens, the FLMO Adequate Protection Liens (as defined below), the FLLO Adequate Protection Liens (as defined below), the Second Lien Adequate Protection Liens (as defined below) and the Prepetition Liens; *provided*, that the RBL Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral and proceeds therefrom shall be subject in all respects to the terms and conditions of the Collateral Agency Agreement, and, without limiting the foregoing or any other

terms of the Collateral Agency Agreement, any DIP Collateral proceeds distributed on account of the RBL Adequate Protection Liens shall be made in accordance with the Allocation Provisions contained in Section 3.06 of the Collateral Agency Agreement. Except for with respect to the Senior DIP Liens, the Permitted Prior Liens and the Carve Out, the Senior Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition RBL Obligations are discharged. The RBL Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the RBL Adequate Protection Liens.

(b) *RBL Adequate Protection Claim*. Pursuant to section 507(b) of the Bankruptcy Code, the Prepetition RBL Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "RBL Adequate Protection Claim") to the extent of any Diminution in Value and to the extent any unpaid portion of any Prepetition RBL Obligations (including any indemnity claims arising after the Petition Date and any Prepetition RBL Obligations subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid and the liens securing the Prepetition RBL Obligations shall not have been avoided), which claim shall be junior to the Senior Superiority DIP Claims and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or

any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The RBL Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code and shall be against each Debtor on a joint and several basis. Except for the Senior Superiority DIP Claims and the Carve Out, the RBL Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition RBL Obligations are paid in full.

(c) *RBL Interest*. As further adequate protection for the Prepetition RBL Secured Parties, the Debtors shall pay to the Prepetition RBL Agent for the ratable benefit of the Prepetition RBL Lenders, (i) no later than the earlier of (x) three (3) business days after entry of this Interim Order and (y) the closing date of the DIP Facilities, all accrued and unpaid interest, fees and costs due and payable under the Prepetition RBL Loan Documents as of such earlier date, in each case, calculated based on the applicable non-default rate set forth in the Prepetition RBL Credit Agreement; and (ii) to the extent any Prepetition RBL Obligations remain outstanding following the date described in the foregoing clause (i) (including any amount that is outstanding after any Prepetition RBL Obligations are reinstated), on the last business day of each calendar month

beginning the last business day of July, all accrued and unpaid postpetition interest, fees and costs due and payable under the Prepetition RBL Loan Documents, in each case, calculated based on the ABR non-default rate as set forth in the Prepetition RBL Credit Agreement. All parties' rights are reserved as to whether any interest paid pursuant to the foregoing clause (ii) shall be subject to recharacterization by the Court as payment of principal to the extent the Prepetition RBL Obligations are determined to be under-secured for purposes of section 506(b) of the Bankruptcy Code.

(d) *Prepetition Fees and Expenses*. The Debtors shall pay all prepetition and postpetition reasonable and documented fees, costs and expenses incurred by (i) the Prepetition RBL Agent, including all reasonable and documented fees and expenses of Simpson Thacher & Bartlett LLP ("Simpson Thacher"), Norton Rose Fulbright US LLP ("Norton Rose Fulbright"), Opportune LLP ("Opportune") and such other consultants or other professionals as may be retained by the Prepetition RBL Agent in accordance with the terms of the Prepetition RBL Credit Agreement, (collectively, the "RBL Agent Professionals"), (ii) one primary counsel and one local counsel retained by the Prepetition Senior Secured Collateral Agent, (iii) the Prepetition FLMO Term Loan Agent, including all reasonable and documented fees and expenses of Emmet, Marvin & Martin LLP ("Emmet Marvin"), (iv) the Prepetition FLLO Term Loan Agent, including all reasonable and documented fees and expenses of Emmet Marvin, (v) the Junior DIP Agent, including all documented fees and expenses of Ropes & Gray LLP ("Ropes"), (vi) the Ad Hoc First Lien Group (including all reasonable and documented fees and expenses of Davis Polk & Wardwell LLP ("Davis Polk"), Evercore Inc. ("Evercore"), Haynes and Boone, LLP ("Haynes and Boone"), Cox, Castle & Nicholson LLP ("Cox Castle"), Trimeric Corporation ("Trimeric"), Cornerstone Engineering,

Inc. ("Cornerstone"), ERM Consulting and Engineering Inc. ("ERM"), and Rapp & Krock, PC ("Rapp & Krock," collectively, the "Ad Hoc First Lien Group Professionals")), and (vii) Ares, including all reasonable and documented fees and expenses of incurred by Ares in connection with the Debtors' restructuring, including, but not limited to, Kirkland & Ellis LLP, Lazard, Ramboll Group A/S, E3 Consulting, Netherland, Sewell & Associates, Inc., Brownstein Hyatt Farber Schreck, LLP, Mayer Brown LLP, Capstone LLC, Lockston Companies, and Petru Corporation. The Debtors shall continue to pay any such fees, costs and expenses incurred by the Prepetition RBL Agent, including the reasonable and documented fees and expenses of the RBL Agent Professionals (including any such fees, costs and expenses incurred defending any Challenge) notwithstanding the repayment of the Prepetition RBL Obligations. The invoices for the reasonable and documented fees and expenses to be paid pursuant to this paragraph shall not be required to comply with the U.S. Trustee guidelines and shall not be required to contain time detail (and may contain redactions of privileged, confidential or otherwise sensitive information), and shall be provided to counsel to the Debtors, with a copy to the U.S. Trustee and counsel to any Committee appointed in the Chapter 11 Cases (collectively, the "Fee Notice Parties"). If no objection to payment of the requested fees and expenses are made, in writing and delivered to the applicable professionals and counsel to the Debtors (which delivery may be made via electronic mail) by any of the Fee Notice Parties within ten (10) calendar days after delivery of such invoices (the "Fee Objection Period"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors. If an objection (solely as to reasonableness) is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, then only the disputed portion of such fees and expenses shall not be paid until the objection is resolved by the applicable parties in good faith or by order of the Court, and the

undisputed portion shall be promptly paid by the Debtors. Notwithstanding the foregoing, the Debtors are authorized and directed to pay on the Closing Date the reasonable and documented fees, costs and expenses of the RBL Agent Professionals and Ad Hoc First Lien Group Professionals incurred on or prior to such date without the need to provide notice to any other party or otherwise comply with the procedures set forth in this paragraph.

(e) *FLMO Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Senior Secured Collateral Agent, for the benefit of the Prepetition FLMO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "Prepetition FLMO Adequate Protection Liens"), which security interests and liens will be junior only to the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the Carve Out, and shall be senior in priority to all other liens, including the FLLO Adequate Protection Liens, the Second Lien Adequate Protection Liens) and the Prepetition Liens; *provided*, that the FLMO Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral and proceeds therefrom shall be subject in all respects to the terms and conditions of the Collateral Agency Agreement, and, without limiting the foregoing or any other terms of the Collateral Agency Agreement, any DIP Collateral proceeds distributed on account of the FLMO Adequate Protection Liens shall be made in accordance with the Allocation Provisions contained in Section 3.06 of the Collateral Agency Agreement. Except for with respect to the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the Carve Out, the FLMO Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security

interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLMO Obligations are paid in full. The FLMO Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the FLMO Adequate Protection Liens.

(f) *FLMO Adequate Protection Claim*. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition FLMO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "FLMO Adequate Protection Claim"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The FLMO Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a

joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim and the Carve Out, the FLMO Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLMO Obligations are paid in full.

(g) *FLLO Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition FLLO Term Loan Agent, for the benefit of itself and the other Prepetition FLLO Secured Parties, immediately upon the entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "FLLO Adequate Protection Liens"), which security interests and liens will be junior only to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the FLMO Adequate Protection Liens, and shall be senior in priority to all other liens, including the Second Lien Adequate Protection Liens and the Prepetition Liens; *provided*, that the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral or proceeds therefrom shall be subject in all respects to the terms and conditions of the Pari Passu Intercreditor Agreement, and, without limiting the foregoing or any other terms of the Pari Passu Intercreditor Agreement, any DIP Collateral proceeds distributed on account of the FLLO Adequate Protection Liens shall be made in accordance with the Allocation

Provisions contained in Section 6.01 of the Pari Passu Intercreditor Agreement. Except for with respect to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLLO Obligations are paid in full. The FLLO Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the FLLO Adequate Protection Liens.

(h) *FLLO Adequate Protection Claim*. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition FLLO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "FLLO Adequate Protection Claim"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy

Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The FLLO Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the Carve Out, the FLLO Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLLO Obligations are paid in full.

(i) *Second Lien Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Second Lien Collateral Trustee, for the benefit of itself and the other Prepetition Second Lien Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "Second Lien Adequate Protection Liens", and together with the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens, the "Adequate Protection Liens"), which security interests and liens will be junior to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens, the FLLO Adequate Protection Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, and shall be senior in priority to all other

liens. Except with respect to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens the FLLO Adequate Protection Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, the Second Lien Adequate Protection Liens shall not be made subject to or pari passu with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition Second Lien Note Obligations are paid in full. The Second Lien Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be pari passu with or senior to the Second Lien Adequate Protection Liens.

(j) Second Lien Adequate Protection Claim. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition Second Lien Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "Second Lien Adequate Protection Claim", and together with the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the FLLO Adequate Protection Claim, the "Adequate Protection Claims"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim, the FLLO Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered

pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The Second Lien Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim, the FLLO Adequate Protection Claim and the Carve Out, the Second Lien Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition Second Lien Obligations are paid in full.

(k) *Additional Adequate Protection*.

(i) Information; Access to Books and Records. The Debtors will provide to the Prepetition RBL Agent (so long the Prepetition RBL Obligations have not been discharged), the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee (and subject to any restrictions on posting material non-public information to public lenders set forth in the

Prepetition Debt Documents) any and all reports and information required to be delivered pursuant to the DIP Credit Agreement, including any Updated Budget and variance reports.

(ii) Maintenance of Collateral. The Debtors shall continue to maintain and insure the Prepetition Collateral in amounts and for the risks, and by the entities, as required under the Prepetition RBL Documents (as long as the Prepetition RBL Obligations have not been discharged), the Prepetition FLMO Tem Loan Documents the Prepetition FLLO Term Loan Documents and the Prepetition Second Lien Documents.

(l) Termination of Consent to Use Cash Collateral. Upon indefeasible payment in full of all DIP Obligations, the following events shall permit Majority Prepetition FMLO Secured Parties to immediately seek to terminate the Debtors' right to use Cash Collateral pursuant to this Interim Order, and to immediately seek relief from the automatic stay to proceed to protect, enforce and exercise all other rights and remedies provided under the Prepetition FLMO Term Loan Documents or applicable law: (1) the Debtors fail to satisfy any Milestone in Section 10.15 of the Senior DIP Credit Agreement; (2) the Debtors fail to update the Approved Budget as contemplated by the Senior DIP Credit Agreement or to comply with the provisions relating to permitted variances from such Approved Budget; (3) the Debtors file, support, make a written proposal or counterproposal to any party relating to, or take any other similar action in furtherance of a chapter 11 plan, sale process or other restructuring transaction that (A) does not provide for the indefeasible payment on the effective date thereof of all claims on account of the Prepetition FLMO Obligations in full in cash or (B) is not approved by the Required FLMO Term Lenders (as defined below) (in each case, a "Non-Consensual Action"); or (4) the Debtors provide notice to counsel to the Ad Hoc First Lien Group of any such Non-Consensual Action (the "Non-Consensual Restructuring Notice").

The Debtors shall provide a Non-Consensual Restructuring Notice to counsel to the Ad Hoc First Lien Group not less than seven (7) days before taking any Non-Consensual Action *provided*, that the Debtors' obligation to provide such notice will terminate in the event that either (x) the Restructuring Support Agreement has been terminated by the Debtors due to a material breach by the Required Consenting Creditors or (y) the Backstop Commitment Agreement has been terminated due to the Backstop Parties terminating their Backstop Commitments (each, as defined in the Restructuring Support Agreement).

(m) *Adequate Protection Reservation*. The receipt by the Prepetition Secured Parties of the adequate protection provided pursuant to this Interim Order shall not be deemed an admission that the interests of the Prepetition Secured Parties are indeed adequately protected. Further, this Interim Order shall not prejudice or limit the rights of the Prepetition RBL Secured Parties (so long any Prepetition RBL Obligations are outstanding) or the other Prepetition Secured Parties (subject to the terms of the applicable Intercreditor Agreements) to seek additional relief with respect to the use of Cash Collateral or for additional adequate protection, including without limitation in the event of termination of the Restructuring Support Agreement or any failure of any of the milestones in the Restructuring Agreement to be timely achieved, provided that (a) any such additional or alternative adequate protection approved by the Court in respect of the Prepetition RBL Obligations shall at all times be subordinate and junior to the Carve Out, the Senior DIP Obligations and the Senior DIP Liens granted under this Interim Order and the DIP Loan Documents and (b) any such additional or alternative adequate protection approved by the Court in respect of the Prepetition FLMO Obligations, Prepetition FLLO Obligations and Prepetition Second Obligations shall at all times be subordinate and junior to the Carve Out, the Superpriority DIP Claims, the DIP Obligations and the DIP Liens granted under this Interim Order and the DIP Loan

Documents. Without limiting the foregoing, nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided hereunder is insufficient to compensate for any Diminution in Value during any of the Chapter 11 Cases.

12. Amendments. (x) The Debtors, the Senior DIP Agent and the Senior DIP Secured Parties, are hereby authorized to enter into the Senior DIP Loan Documents and implement, in accordance with the terms of the Senior DIP Loan Documents one or more amendments, waivers, consents or other modifications to and under the Senior DIP Loan Documents, in each case in such form as the Debtors, the Senior DIP Agent and the Majority Lenders (as defined in the Senior DIP Credit Agreement) (the "Majority Senior DIP Lenders") may agree, and no further approval of the Court shall be required for non-material amendments, waivers, consents or other modifications to and under the Senior DIP Loan Documents (and any reasonable fees and expenses paid in connection therewith); and (y) the Debtors, the Junior DIP Agent and the Junior DIP Secured Parties, are hereby authorized to enter into the Junior DIP Loan Documents and implement, in accordance with the terms of the Junior DIP Loan Documents one or more amendments, waivers, consents or other modifications to and under the Junior DIP Loan Documents, in each case in such form as the Debtors, the Junior DIP Agent and the Majority Lenders (as defined in the Junior DIP Credit Agreement) (the "Majority Junior DIP Lenders") may agree, and no further approval of the Court shall be required for non-material amendments, waivers, consents or other modifications to and under the Junior DIP Loan Documents (and any reasonable fees and expenses paid in connection therewith); *provided*, *however*, that in the case of both of the foregoing clauses (x) and (y), the Debtors shall provide notice of any material amendment, waiver, consent or other modification under the Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable, to counsel to any Committee,

counsel to the applicable non-amending DIP Agent, counsel to the applicable non-amending DIP Secured Parties, and the United States Trustee three (3) calendar days prior to the effective date thereof to the extent practicable. If no objections are timely received (or if the U.S. Trustee, such DIP Agent, such DIP Secured Parties or the Committee indicate via electronic mail or otherwise that they have no objection) to a material amendment within three (3) calendar days from the date of delivery of such notice, the Debtors may proceed to execute such amendment, which shall become effective immediately upon execution.

13. Budget Covenants.

(a) *Initial Budget and Updated Budget.* The use of Cash Collateral and borrowings and other extensions of credit under the DIP Loan Documents shall be in accordance with the Approved Budget (subject to Permitted Variances). The Debtors have prepared and delivered to the Senior DIP Agent and Majority Junior DIP Lenders, and the Senior DIP Agent and Majority Junior DIP Lenders have approved, an initial budget, a copy of which is attached hereto as Exhibit 3 (the "Initial Budget"), which reflects the Debtors' anticipated cash receipts and all anticipated necessary and required disbursements of the DIP Borrower and its restricted subsidiaries, including (i) individual line items for "Total Receipts," "Total Operating Disbursements," "Professional Fees," "Operating AP Payments," "Payroll/Payroll Taxes," and "Elk Hills Power Capacity/Reimbursement" and (ii) anticipated uses of the DIP Facilities for such period, for each calendar week during the period from the Petition Date through and including the end of the thirteenth (13th) calendar week following the Petition Date. The Initial Budget, and each Updated Budget (as defined below), once approved in accordance herewith, shall be deemed the "Approved Budget" for all purposes hereof until superseded by another Approved Budget pursuant to the provisions set forth below.

(b) *Updated Budget*. Beginning on July 28, 2020, and every four (4) weeks thereafter while any DIP Obligations are outstanding, the Debtors shall prepare in good faith and deliver to the DIP Agents, the DIP Agents' professional advisors, and the professional advisors to the Majority Junior DIP Lenders an updated 13-week cash flow forecast consistent in form and substance with the Initial Budget and otherwise in form and substance acceptable to the Senior DIP Agent, the Majority Senior DIP Lenders, and reasonably acceptable to the Majority Junior DIP Lenders, as and to the extent required by the DIP Credit Agreements (each such updated forecast, an "Updated Budget"). Each Updated Budget shall be accompanied by such supporting documentation in accordance with the terms of the DIP Credit Agreements. For the avoidance of doubt, no amendment, modification or update to an Approved Budget shall be effective without the approval of the Senior DIP Agent, Majority Senior DIP Lenders and, so long as no Senior DIP Event of Default (as defined below) has occurred and is continuing, the Majority Junior DIP Lenders, and in accordance with the terms of the applicable DIP Credit Agreements.

(c) *Variance Reporting*. The Debtors are subject to the variance reporting and testing as set forth in, and in accordance with the terms of, the DIP Credit Agreements. Concurrently with the delivery of each Updated Budget, the Debtors shall deliver to the DIP Agents, the DIP Agents' professional advisors, and the professional advisors to the Majority Junior DIP Lenders the weekly cash balance reporting and variance reporting required under the DIP Credit Agreements. Variances in excess of the Permitted Variance (as defined in each DIP Credit Agreement) from the Approved Budget, and any proposed changes to the Approved Budget, shall be subject to written agreement by the Debtors and the Senior DIP Agent and, so long as no Senior DIP Event of Default has occurred and is continuing, the Majority Junior DIP Lenders, in each case without further notice, motion or application to, order of, or hearing before, the Court.

14. Modification of Automatic Stay. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified as necessary to permit: (a) the Debtors to grant the DIP Liens and the Superpriority DIP Claims, and to perform such acts as the DIP Agents or the Majority Senior DIP Lenders or Majority Junior DIP Lenders may request to assure the perfection and priority of the DIP Liens; (b) the Debtors to take all appropriate action to grant the Adequate Protection Liens and the Adequate Protection Claims set forth herein, and to take all appropriate action to ensure that the Adequate Protection Liens granted hereunder are perfected and maintain the priority set forth herein; (c) the Debtors to incur all liabilities and obligations, including all the DIP Obligations, to the DIP Secured Parties and the Prepetition Secured Parties as contemplated under this Interim Order and/or the DIP Loan Documents; (d) the Debtors to pay all amounts referred to, required under, in accordance with, and subject to the DIP Loan Documents and this Interim Order; (e) the DIP Secured Parties and the Prepetition Secured Parties to retain and apply payments made in accordance with the DIP Loan Documents and/or this Interim Order; (f) subject to paragraph 22 hereof, the DIP Agents and the DIP Lenders to exercise, upon the occurrence and during the continuance of an Event of Default (as defined in the Senior DIP Credit Agreement) (a "Senior DIP Event of Default") or an Event of Default (as defined in the Junior DIP Credit Agreement) (a "Junior DIP Event of Default"), subject to the Remedies Notice Period (as defined below), all rights and remedies provided for in the DIP Loan Documents and take any or all actions provided therein; (g) the Debtors to perform under the DIP Loan Documents and any and all other instruments, certificates, agreements and documents which may be required, necessary or prudent for the performance by the applicable Debtors under the DIP Loan Documents and any transactions contemplated therein or in this Interim Order; and (h) the implementation of all of the terms, rights, benefits, privileges, remedies and provisions of this Interim Order and the DIP Loan Documents, in each case, without

further notice, motion or application to, or order of, or hearing before, this Court, subject to the terms of this Interim Order.

15. Perfection of DIP Liens and Postpetition Liens. This Interim Order shall be sufficient and conclusive evidence of the validity, perfection and priority of all security interests and liens granted herein, including, without limitation, the DIP Liens and the Adequate Protection Liens, without the necessity of executing, filing or recording any financing statement, mortgage, notice or other instrument or document that may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any securities or deposit account control agreement or taking possession of any possessory collateral) to validate or perfect (in accordance with applicable law) such liens, or to entitle the Prepetition Secured Parties and the DIP Secured Parties to the priorities granted herein. Notwithstanding the foregoing, each of the Senior DIP Agent, Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, without any further consent of any party, is authorized to execute, file or record, and the Senior DIP Agent, Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, may require the execution, filing or recording, as each, in its sole discretion deems necessary, of such financing statements, mortgages, notices of lien, and other similar documents to enable the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, to further validate, perfect, preserve and enforce the DIP Liens or

other liens and security interests granted hereunder, or perfect in accordance with applicable law or to otherwise evidence the DIP Liens and/or the Adequate Protection Liens, as applicable, and all such financing statements, mortgages, notices, and other documents shall be deemed to have been executed, filed or recorded as of the Petition Date; *provided*, *however*, that no such execution, filing or recordation shall be necessary or required in order to create or perfect the DIP Liens and/or the Adequate Protection Liens. The Debtors are authorized and directed to execute and deliver promptly upon demand to the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, all such financing statements, notices, and other documents as the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, may reasonably request. The Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, each in its discretion, may file a photocopy of this Interim Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, notices of lien, or similar instruments, and in such event, the filing or recording office shall be authorized to file or record such photocopy of this Interim Order.

16. Protection of DIP Lenders' Rights and Adequate Protection Liens. So long as there are any DIP Obligations outstanding, the Prepetition Secured Parties (other than the Prepetition RBL Secured Parties as set forth in paragraph 22(c) hereof) shall (a) absent the written consent of

the DIP Agents, have no right to, and take no action to, foreclose upon or recover in connection with the liens granted thereto pursuant to the Prepetition Debt Documents or this Interim Order or otherwise seek or exercise any enforcement rights or remedies against any DIP Collateral or in connection with the debt and obligations underlying the Prepetition Debt Documents or the Adequate Protection Liens, including, without limitation, in respect of the occurrence or continuance of any Event of Default (as defined in each of the applicable Prepetition Debt Documents), (b) be deemed to have consented to any release of DIP Collateral authorized under the DIP Loan Documents (but not any proceeds of such transfer, disposition or sale to the extent remaining after payment in full in cash of the DIP Obligations), (c) not file any further financing statements, patent filings, trademark filings, copyright filings, mortgages, memoranda of lease, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral unless, solely as to this clause (c), the DIP Agents file financing statements or other documents to perfect the liens granted pursuant to the DIP Loan Documents and/or this Interim Order, or as may be required by applicable state law to continue the perfection of valid and unavoidable liens or security interests as of the date of filing, and (d) deliver or cause to be delivered, at the Debtors' costs and expense (for which the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee shall be reimbursed upon submission to the Debtors of invoices or billing statements), any termination statements, releases and/or assignments (to the extent provided for herein) in favor of the DIP Agents and the DIP Lenders or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of Adequate Protection Liens, the Prepetition Senior Liens, the Prepetition FLLO Liens or the Prepetition Second

Liens on any portion of the DIP Collateral subject to any sale or disposition approved or arranged for by any DIP Agent.

17. Protection of DIP Lenders Rights. To the extent any Prepetition Secured Party has possession of any Prepetition Collateral or DIP Collateral or has control with respect to any Prepetition Collateral or DIP Collateral, or has been noted as secured party on any certificate of title for a titled good constitution Prepetition Collateral or DIP Collateral, then such Prepetition Secured Party shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the Senior DIP Agent, the Senior DIP Secured Parties, the Junior DIP Agent and the Junior DIP Secured Parties, and such Prepetition Secured Party and the applicable Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent, or the Prepetition Second Lien Collateral Trustee shall comply with the instruction of the Senior DIP Agent, acting at the direction of the Majority Senior DIP Lenders, with respect to the exercise of such control. To the extent that the Senior DIP Agent or any other Senior DIP Secured Party has possession of any Prepetition Collateral or DIP Collateral or has control with respect to any Prepetition Collateral or DIP Collateral, or has been noted as secured party on any certificate of title for a titled good constituting Prepetition Collateral or DIP Collateral, then such Senior DIP Secured Party shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the Junior DIP Agent and the Junior DIP Secured Parties, subject to the priorities set forth in paragraph 6 above and other terms of this Order; provided that following the Discharge of the Senior DIP Obligations, the Senior DIP Agent shall deliver Junior DIP Agent, at

the Debtors' sole cost and expense, the Prepetition Collateral or DIP Collateral in its possession together with any necessary endorsements to the extent required by the Junior DIP Documents.

18. Proceeds of Subsequent Financing. Without limiting the provisions of the immediately preceding paragraph, if the Debtors, any trustee, any examiner with enlarged powers or any responsible officer subsequently appointed in any of the Chapter 11 Cases or any Successor Cases shall obtain credit or incur debt pursuant to sections 364(b), (c), or (d) of the Bankruptcy Code in violation of this Interim Order or the DIP Loan Documents at any time prior to the indefeasible payment in full in cash of all of the DIP Obligations, the satisfaction of the Superpriority DIP Claims, and the termination of the DIP Agents' and the DIP Lenders' obligations to extend credit under the DIP Facilities and this Interim Order, including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors' estates, then unless otherwise agreed by the DIP Agents all of the cash proceeds derived from such credit or debt shall immediately be turned over first, to the Senior DIP Agent to be applied to the Senior DIP Obligations pursuant to the Senior DIP Credit Agreement until the Discharge of Senior DIP Obligations (as defined below) occurs and second (but subject to paragraph 22(c) hereof), to the Junior DIP Agent to be applied to the Junior DIP Obligations pursuant to the Junior DIP Credit Agreement.

19. Maintenance of DIP Collateral. The Debtors shall continue to maintain all property, operational and other insurance as required and as specified in the DIP Loan Documents. The Debtors shall provide the DIP Agents and their respective counsel (for distribution to the DIP Secured Parties) with commercially reasonable evidence of such insurance upon a request to counsel for the Debtors. Upon entry of this Interim Order and to the fullest extent provided by applicable law, the DIP Agents (on behalf of the DIP Secured Parties) shall be, and shall be deemed to be, without any

further action or notice, named as additional insureds and lender's loss payees on each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral. The Debtors shall also maintain the cash management system in effect as of the Petition Date, as modified by this Interim Order and any order of the Court authorizing the continued use of the cash management system.

20. Disposition of DIP Collateral. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral (or enter into any binding agreement to do so) other than in the ordinary course of business without the prior written consent of the Majority Senior DIP Lenders or as otherwise provided for in the Senior DIP Loan Documents and, so long as no Senior DIP Event of Default has occurred and is continuing, the prior written consent of the Majority Junior DIP Lenders or as otherwise provided for in the Junior DIP Loan Documents.

21. Termination Date. Each of the following shall constitute a termination event under this Interim Order (each a "Termination Event", and the date upon which such Termination Event occurs, the "Termination Date"), unless waived in writing (delivery by email or other electronic means being sufficient) by both DIP Agents and the Majority Junior DIP Lenders: (a) the occurrence of the maturity date of either DIP Facility; (b) the date that is thirty-five (35) days after the Petition Date if the Final Order, in form and substance acceptable to each DIP Agent and the Majority Junior DIP Lenders, has not been entered by the Court; (c) the occurrence of a Senior DIP Event of Default; or (d) the occurrence of a Junior DIP Event of Default.

22. Rights and Remedies Upon Termination Event.

(a) Upon the occurrence and during the continuation of a Termination Event, either DIP Agent may (and any automatic stay otherwise applicable to the DIP Secured Parties,

whether arising under sections 105 or 362 of the Bankruptcy Code or otherwise, but subject to the terms of this Interim Order (including this paragraph) is hereby modified, without further notice to, hearing of, or order from this Court, to the extent necessary to permit each DIP Agent to, upon delivery of written notice (a "Termination Notice") (including by e-mail) to lead restructuring counsel to the Debtors, lead restructuring counsel to the other DIP Agent, lead restructuring counsel to the other applicable DIP Secured Parties, lead restructuring counsel to any Committee, lead restructuring counsel to the Prepetition RBL Agent, lead restructuring counsel to the Prepetition Senior Secured Collateral Agent, lead restructuring counsel to the Prepetition FLMO Term Loan Agent, lead restructuring counsel to the Prepetition FLLO Term Loan Agent, lead restructuring counsel to the Prepetition Second Lien Collateral Trustee and the U.S. Trustee, (the "Remedies Notice Parties"), unless the Court orders otherwise prior to five (5) business days after delivery of such Termination Notice (such five (5) business day period, the "Remedies Notice Period"): (a) immediately terminate and/or revoke the Debtors' right under this Interim Order and any other Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable, to use any Cash Collateral; (b) terminate the applicable DIP Facility and any applicable DIP Loan Document as to any future liability or obligation of the Senior DIP Secured Parties or Junior DIP Secured Parties, as applicable, but without affecting any of the DIP Obligations or the DIP Liens securing such DIP Obligations; (c) declare all Senior DIP Obligations or Junior DIP Obligations, as applicable, to be immediately due and payable; and (d) invoke the right to charge interest at the default rate under the Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable. Upon delivery of such Termination Notice by either DIP Agent, without further notice or order of the Court, the DIP Secured Parties' and the Prepetition Secured Parties' consent to use Cash Collateral and the Debtors' ability to incur additional DIP Obligations hereunder will, subject to the expiration of the

Remedies Notice Period, automatically terminate and the DIP Secured Parties will have no obligation to provide any DIP Loans or other financial accommodations.

(b) Following a Termination Event, but prior to exercising the remedies set forth in this sentence below, the Senior DIP Secured Parties shall be required to file a motion with the Court seeking emergency relief (the "Stay Relief Motion") on five (5) business days' notice to the Remedies Notice Parties (which shall run concurrently with the Remedies Notice Period) for a further order of the Court modifying the automatic stay in the Chapter 11 Cases to permit the Senior DIP Secured Parties (but not the Junior DIP Secured Parties) to: (a) freeze monies or balances in the Debtors' accounts; (b) immediately set-off any and all amounts in accounts maintained by the Debtors with the Senior DIP Agent or the Senior DIP Secured Parties against the Senior DIP Obligations, (c) enforce any and all rights against the DIP Collateral, including, without limitation, foreclosure on all or any portion of the DIP Collateral, collection of accounts receivable, occupying the Debtors' premises, sale or disposition of the DIP Collateral; and (d) take any other actions or exercise any other rights or remedies permitted under this Interim Order, the Senior DIP Loan Documents or applicable law. The rights and remedies of the Senior DIP Secured Parties specified herein are cumulative and not exclusive of any rights or remedies that the Senior DIP Secured Parties have under the Senior DIP Loan Documents or otherwise. If the Senior DIP Secured Parties are permitted by the Court to take any enforcement action with respect to the DIP Collateral following the hearing on the Stay Relief Motion, the Debtors shall cooperate with the Senior DIP Secured Parties in their efforts to enforce their security interest in the DIP Collateral, and shall not take or direct any entity to take any action designed or intended to hinder or restrict in any respect such Senior DIP Secured Parties from enforcing their security interests in the DIP Collateral. Until the Discharge of Senior DIP Obligations, the Junior DIP Agent and Junior DIP

Secured Parties shall not have the right to exercise or enforce any rights and remedies against the Debtors or the DIP Collateral (other than as set forth in paragraph 22(a) above). Following the Discharge of Senior DIP Obligations, the Junior DIP Agent on behalf of the Junior DIP Secured Parties may exercise the rights and remedies set forth in this paragraph 22(b).

(c) Notwithstanding anything herein to the contrary in this Interim Order or any DIP Loan Document, until the Senior DIP Obligations are indefeasibly paid in full in cash (other than (i) secured hedge obligations that, at the time of such determination, are allowed by the person to whom such secured hedge obligations are owing to remain outstanding or are not required to be repaid or cash collateralized pursuant to the provisions of any document governing such secured hedge obligations or have been assigned or novated concurrently with such payment, (ii) secured cash management obligations and (iii) contingent indemnification obligations not then due and payable), the commitments to advance credit thereunder are terminated and all issued and undrawn DIP Letters of Credit are replaced or cash collateralized in accordance with the Senior DIP Credit Agreement (collectively, the "Discharge of Senior DIP Obligations"), the Junior DIP Agent and the Junior DIP Secured Parties shall not receive or retain any payments, distributions or other amounts on account of the Junior DIP Obligations (other than the agency fees, the upfront fee, the Exit Premium and expenses payable under the Junior DIP Loan Documents and this Interim Order, including professional fees and expenses), whether such payments, distributions or amounts are from proceeds of the DIP Collateral or refinancing of the Junior DIP Facility or from any other source (including debt or equity issued or distributed in connection with a plan of reorganization or any proceeds of such debt or equity) and whether such payments, distributions or amounts are distributed or made in connection with or pursuant to a plan of reorganization or liquidation, sale pursuant to section 363 of the Bankruptcy Code, foreclosure or otherwise. If the

Junior DIP Agent or any Junior DIP Secured Parties receive any payments, distributions or other amounts in violation of this paragraph 22(c), then the Junior DIP Agent (to the extent the Junior DIP Agent has actual notice of such violation and has not distributed such amounts to the other Junior DIP Secured Parties) or such Junior DIP Secured Party, as applicable, shall hold such amounts in trust for the benefit of the Senior DIP Agent, the Senior DIP Secured Parties, the Prepetition RBL Agent and the Prepetition RBL Secured Parties and shall promptly turn over such amounts to the Senior DIP Agent. Notwithstanding the foregoing, so long as a Senior DIP Event of Default has not occurred and is continuing, the Junior DIP Secured Parties shall be entitled to receive interest at the contract rate as and when due and the upfront fee in connection with the closing of the Junior DIP Facility. For any Prepetition RBL Obligations that remain outstanding after the closing of the Junior DIP Facility, including any amount due and payable on account of indemnity claims that are Prepetition RBL Obligations and any Prepetition RBL Obligations that are subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid, the liens securing such Prepetition RBL Obligations shall be subordinate to the Senior DIP Liens and the Junior DIP Liens; *provided* that, any such Prepetition RBL Obligations shall be (i) deemed Senior DIP Obligations for all purposes of this paragraph 22 and (ii) subject to the Senior DIP Purchase Option (as defined below) (notwithstanding anything to the contrary in the Collateral Agency Agreement). The term "Discharge of Senior DIP Obligations" as used in this Interim Order shall be deemed to require the repayment of such Prepetition RBL Obligations in full in cash.

(d) The payment in full of the Prepetition RBL Obligations on and at all times following the Closing Date with the proceeds of the DIP Facilities as set forth in the DIP Loan Documents and this Interim Order shall constitute a "Discharge of Existing Senior Obligations"

subject to, and as such term is defined in, the Collateral Agency Agreement for all purposes thereunder.

(e) *Senior DIP Purchase Option*. At any time upon written notice to the Senior DIP Agent (the "Senior DIP Purchase Notice"), any group of Junior DIP Lenders holding a majority in principal amount of the Junior DIP Loans or any group of Prepetition FLMO Term Loan Lenders holding a majority in principal amount of the Prepetition FLMO Term Loans (any such group, the "Senior DIP Purchasers") shall have the right, without the consent of the Debtors, to purchase from the Senior DIP Secured Parties all (but not less than all) Senior DIP Obligations (including, for the avoidance of doubt and notwithstanding anything to the contrary herein or in the Collateral Agency Agreement all Senior DIP Obligations that are refinanced, refunded, or replaced) (such right, the "Senior DIP Purchase Option") for a purchase price in an amount equal to (i) the amount of Senior DIP Obligations outstanding (including principal, fees, reasonable attorneys' fees and legal expenses (but excluding contingent indemnification obligations for which no claim or demand for payment has been made at or prior to such time, *provided* that "Senior DIP Obligations" shall include all contingent or actual rights and claims relating to, arising from, or in connection with the reservation of rights under paragraph 29, whether asserted as Senior DIP Obligations, Prepetition RBL Obligations, or otherwise, *provided further* that in the case of secured hedge obligations, the Senior DIP Purchasers shall cause the applicable agreements governing such hedge obligations to be assigned and novated or, if such agreements have been terminated, such purchase price shall include an amount equal to the sum of any unpaid amounts then due in respect of such hedge obligations, calculated using the market quotation method and after giving effect to any netting arrangements and (ii) a cash collateral deposit in such amount as the Senior DIP Agent determines is reasonably necessary to secure the payment of any outstanding letters of credit

constituting Senior DIP Obligations that may be come due and payable after such sale (but in any event in an amount not to exceed 105% of the amount then reasonably estimated by the Senior DIP Agent to be the aggregate outstanding amount of such letters of credit at such time), which cash collateral shall be (A) held by the Senior DIP Agent as security solely to reimburse the issuers of letters of credit that become due and payable after such sale and any fees and expenses incurred in connection with such letters of credit and (B) returned to the Senior DIP Purchasers (except as otherwise be required by applicable law or any order of any court or other governmental authority) promptly after the expiration or termination from time to time of all payment contingencies affecting such letters of credit. The Senior DIP Purchasers shall have twenty (20) Business Days following delivery of the Senior DIP Purchase Notice to consummate the purchase of the Senior DIP Obligations contemplated by this paragraph 22(e) and the right to purchase the Senior DIP Obligations under this paragraph 22(e) shall terminate thereafter unless such twenty (20) Business Day period is extended by the Senior DIP Agent in its sole discretion, provided that if the Senior DIP Purchasers shall fail to consummate such purchase within such twenty (20) Business Day period, no Junior DIP Lenders or Prepetition FLMO Term Loan Lenders shall be permitted to exercise the Senior DIP Purchase Option until the date that is at least five (5) Business Days following the expiration of such twenty (20) Business Day period.

(f) *Junior DIP Purchase Option*. Upon written notice to the Junior DIP Agent (the "Junior DIP Purchase Notice") any group of Prepetition FLMO Term Loan Lenders holding a majority in aggregate principal amount of the Prepetition FLMO Term Loans (the "Junior DIP Purchasers") shall have the right, without the consent of the Debtors, to purchase from the Junior DIP Secured Parties all (but not less than all) Junior DIP Obligations (including, for the avoidance of doubt and notwithstanding anything to the contrary herein all Junior DIP Obligations that are

refinanced, refunded, or replaced (such right, the "Junior DIP Purchase Option") for a purchase price in an amount equal to the amount of Junior DIP Obligations outstanding (including principal, fees, reasonable attorneys' fees and legal expenses (but excluding contingent indemnification obligations for which no claim or demand for payment has been made at or prior to such time)). The Junior DIP Purchasers shall have twenty (20) Business Days following delivery of the Junior DIP Purchase Notice to consummate the purchase of the Junior DIP Obligations contemplated by this paragraph 22(f) and the right to purchase the Junior DIP Obligations under this paragraph 22(f) shall terminate thereafter unless such twenty (20) Business Day period is extended by the Majority Junior DIP Lenders in their sole discretion; provided that if the Junior DIP Purchasers shall fail to consummate such purchase within such twenty (20) Business Day period, no Prepetition FLMO Term Loan Lenders shall be permitted to exercise the Junior DIP Purchase Option until the date that is at least five (5) Business Days following the expiration of such twenty (20) Business Day period.

(g) In connection with the Senior DIP Purchase Option and the Junior DIP Purchase Option, the Senior DIP Purchasers or the Junior DIP Purchasers, as applicable, shall deliver to the applicable DIP Agent any customary agreements, documents or instruments to which the applicable DIP Agent may reasonably request pursuant to which the Senior DIP Purchasers or the Junior DIP Purchasers, as applicable, shall expressly assume and adopt all obligations of the applicable DIP Agent and DIP Secured Parties.

(h) Notwithstanding anything to the contrary contained in this Order, upon the occurrence and continuation of Termination Event, the DIP Lenders, the Prepetition Senior Loan Parties, or their agents, may enter upon a leased premises for the purposes of exercising remedies after an Event of Default only in accordance with (a) a separate written agreement by and between

the DIP Lender or Prepetition Senior Loan Parties, as applicable, and any applicable landlord; (b) pre-existing rights of the DIP Lender or Prepetition Senior Loan Parties, as applicable, and any applicable landlord under applicable non-bankruptcy law, (c) consent of the applicable landlords, or (d) entry of an order of this Court obtained by motion of the applicable DIP Lender, Prepetition Senior Loan Parties, or their agents, on such notice to the landlord as shall be required by this Court.

23. Good Faith under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Interim Order. The DIP Secured Parties have acted in good faith in connection with the DIP Facilities, the DIP Loan Documents, the interim financing provided by the DIP Facilities, and with this Interim Order, and their reliance on this Interim Order is in good faith. Based on the findings set forth in this Interim Order and the record made during the Interim Hearing, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Interim Order are hereafter modified, reversed, amended or vacated by a subsequent order of the Court or any other court, the DIP Secured Parties and the Prepetition Secured Parties are entitled to the benefits and protections provided in section 364(e) of the Bankruptcy Code. Any such modification, reversal, amendment or vacatur shall not affect the validity and enforceability of any advances previously made or made hereunder, or lien, claim or priority authorized or created hereby. Any security interests, liens or claims granted to the DIP Secured Parties arising prior to the effective date of any such modification, reversal, amendment or vacatur of this Interim Order shall be governed in all respects by the original provisions of this Interim Order, including entitlement to all rights, remedies, privileges and benefits granted herein.

24. DIP and Other Expenses. The Debtors are authorized and directed to pay, in cash and on a current basis, all reasonable and documented fees, costs, disbursements and expenses of

the DIP Agents and the Ad Hoc First Lien Group incurred at any time, to the extent provided by the DIP Loan Documents and this Interim Order, whether or not the transactions contemplated hereby are consummated, including, without limitation, legal, accounting, collateral examination, monitoring and appraisal fees and expenses, agency fees, financial advisory fees and expenses, fees and expenses of other consultants and indemnification and reimbursement of fees and expenses (including, without limitation, the reasonable and documented prepetition and postpetition fees, costs and expenses of (A) Simpson Thacher and Norton Rose Fulbright; (B) Opportune; (C) Davis Polk, Haynes and Boone, Cox Castle, Trimeric, Cornerstone, ERM, and Rapp & Krock; (D) Evercore; (E) Ropes & Gray, and (F) any other necessary or appropriate counsel, advisors, professionals or consultants in connection with advising the DIP Agents or the Ad Hoc First Lien Group (collectively the "DIP Secured Party Advisors")). The invoices for such fees and expenses shall not be required to comply with the U.S. Trustee guidelines, may be in summary form only (and may contain redactions of privileged, confidential or otherwise sensitive information), and shall not be subject to application or allowance by the Court. Such fees and expenses shall not be subject to any offset, defense, claim, counterclaim or diminution of any type, kind or nature whatsoever. The invoices for fees and expenses to be paid pursuant to this paragraph 24 shall be provided to the Fee Notice Parties. Within ten (10) calendar days after delivery of such invoices, the ("Fee Objection Period"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors. If an objection (solely as to reasonableness) is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, then only the disputed portion of such fees and expenses shall not be paid until the objection is resolved by the applicable parties in good faith or by order of the Court, and the undisputed portion shall be promptly paid by the Debtors.

Notwithstanding the foregoing, the Debtors are authorized and directed to pay on the Closing Date the fees and expenses of the DIP Secured Party Advisors incurred on or prior to such date without the need to provide notice to any other party or otherwise comply with the procedures set forth in this paragraph 24.

25. Indemnification. The Debtors are authorized to jointly and severally indemnify and hold harmless each of the DIP Agents (solely in their capacity as DIP Agents), each DIP Secured Party (solely in its capacity as a DIP Secured Party) and each other party entitled to an indemnity in accordance and subject to the terms and conditions set forth in the DIP Credit Agreements.

26. Proofs of Claim. The DIP Secured Parties and each of the Prepetition Secured Parties shall not be required to file proofs of claim in any of the Chapter 11 Cases or any Successor Cases for any claim against the Debtors for payment of the Prepetition Obligations arising under the Prepetition Debt Documents. The statements of claims in respect of such indebtedness set forth in this Interim Order, together with any evidence accompanying this Motion and presented at the Interim Hearing, are deemed sufficient to and do constitute proofs of claim in respect of such debt and such secured status. However, in order to facilitate the processing of claims, to ease the burden upon the Court and to reduce any unnecessary expense to the Debtors' estates, each of the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent and Prepetition Second Lien Collateral Trustee is authorized to file in the Debtors' lead chapter 11 case *In re California Resources Corporation,* Case No.20-33568 (DRJ), a master proof of claim on behalf of its respective Prepetition Secured Parties on account of any and all of their respective claims arising under the applicable Prepetition Debt Documents and hereunder (each, a "Master Proof of Claim") against each of the Debtors. Upon the filing of any such Master Proof of Claim, the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent

or Prepetition Second Lien Collateral Trustee, as applicable, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims of any type or nature whatsoever with respect to the applicable Prepetition Debt Documents, and the claim of each applicable Prepetition Secured Party (and each of its successors and assigns) named in a Master Proof of Claim shall be treated as if such entity had filed a separate proof of claim in each of the Chapter 11 Cases. The Master Proofs of Claim shall not be required to identify whether any such party acquired its claim from another party and the identity of any such party or to be amended to reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from the transfer of all or any portion of such claims. The Master Proofs of Claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by each of the Debtors to the applicable Prepetition Secured Parties. Any proof of claim filed by the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent or Prepetition Second Lien Collateral Trustee shall be deemed to be in addition to and not in lieu of any other proof of claim that may be filed by any of the Prepetition Secured Parties. Any order entered by the Court in relation to the establishment of a bar date in any of the Chapter 11 Cases or Successor Cases shall not apply to the DIP Secured Parties or Prepetition Secured Parties.

27. Carve Out.

(a) *Carve Out*. Subject to the terms and conditions set forth herein, the DIP Liens, Superpriority DIP Claims, Prepetition Liens, Adequate Protection Liens and Adequate Protection Claims shall be subject to the payment of the Carve Out. As used in this Interim Order, the "Carve Out" means, without duplication, the following expenses, subject, in each case, to application of any retainers that may be held by the applicable professionals as well as proceeds

from unencumbered assets then currently available: (I) the payment of unpaid fees, expenses and disbursements incurred after delivery of a Carve Out Trigger Notice (as defined below) in connection with the Chapter 11 Cases by professionals employed by the Debtors pursuant to sections 327, 328 or 363 of the Bankruptcy Code and by professionals employed by any Committee pursuant to sections 328 or 1103 of the Bankruptcy Code in the aggregate amount not in excess of $7 million for all such professionals (the "Case Professionals") to the extent such fees, expenses and disbursements are allowed by the Court at any time, regardless of whether allowed by interim order, procedural order or otherwise, excluding for purposes of this clause (I) any success fee, completion fee, transaction fee or similar investment banking fee (the amounts described in this clause (I), the "Wind-Down Carve Out Amounts"); (II) all accrued and unpaid professional fees and disbursements incurred by Case Professionals on or prior to the delivery of a Carve Out Trigger Notice to the extent allowed by the Court at any time, regardless of whether allowed by interim order, procedural order or otherwise (the amounts described in this clause (II), collectively, the "Pre-Trigger Amount Professional Fees"); (III) all fees to be paid to the clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. § 1930 and 31 U.S.C. § 3717 plus interest at the statutory rate; and (IV) all reasonable and documented fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in aggregate amount not in excess of $100,000. As used in this Interim Order, the term "Carve Out Trigger Notice" means the delivery by the Senior DIP Agent of a written notice to the Debtors, the U.S. Trustee and counsel to any Committee following the occurrence and during the continuation of a Termination Event, expressly stating that the Wind-Down Carve Out Amounts are invoked. Upon the Debtors' receipt of a Carve Out Trigger Notice, the Wind-Down Carve Out Amounts and the Pre-Trigger Amount Professional Fees (collectively, the "Carved-Out Professional Fees") shall immediately be funded by the Debtors to an

escrow account (the "Professional Fee Escrow") with an escrow agent selected by the Debtors and approved by the Senior DIP Agent (which such approval shall not be unreasonably withheld, conditioned or delayed) pursuant to an escrow agreement reasonably acceptable to the Senior DIP Agent, from any and all available Cash Collateral or cash held by the Debtors and, if the then-available cash and Cash Collateral is not sufficient to cover the Carved-Out Professional Fees, the first proceeds from the sale of the DIP Collateral until the Carved-Out Professional Fees are fully funded into the Professional Fee Escrow; *provided*, that the funding of the Pre-Trigger Amount Professional Fees into the Professional Fee Escrow shall be based on good faith estimates obtained by the applicable professionals. The Professional Fee Escrow shall be subject to a first-priority lien securing the Carved-Out Professional Fees, a second priority lien securing the Senior DIP Obligations, a third priority lien securing the Junior DIP Obligations and a fourth priority lien securing the Adequate Protection Claims. Notwithstanding anything to the contrary herein, upon the delivery of a Carve Out Trigger Notice, the Senior DIP Agent or the Junior DIP Agent shall be required to transfer cash that it sweeps, receives or forecloses upon at any time from and after the delivery of a Carve Out Trigger Notice into the Professional Fee Escrow until such time as the Carved-Out Professional Fees have been fully funded into the Professional Fee Escrow. For the avoidance of doubt, upon delivery of a Carve Out Trigger Notice, in no instance shall any DIP Obligations or Prepetition Obligations be repaid until the Professional Fee Escrow is fully funded or as further set forth in other order(s) of the Court. So long as no Carve Out Trigger Notice has been delivered, the Debtors shall be permitted to pay compensation and reimbursement of expenses to Case Professionals allowed and payable under sections 330 and 331 of the Bankruptcy Code, but solely to the extent the same are allowed at any time by the Court, regardless of whether allowed by interim order, procedural order or otherwise; *provided*, that, for the avoidance of doubt, the

payment of such compensation and reimbursement of such expenses prior to the delivery of a Carve Out Trigger Notice shall not reduce the applicable Wind-Down Carve Out Amount. No portion of the Carve Out may be used in contravention of the restrictions or the limitations on the use of the Carve Out set forth in this Interim Order.

(b) The DIP Agents and the DIP Lenders shall retain automatically perfected and continuing security interests in any residual amount in the Professional Fee Escrow Account available following satisfaction in full of all obligations benefiting from the Carve-Out (the "Residual Carve-Out Amount"). Promptly (but in no event later than 5 business days) following the satisfaction in full of all obligations benefiting from the Carve-Out, the Debtors shall deliver the Residual Carve-Out Amount, if any, to the Senior DIP Agent (or, following a Discharge of Senior DIP Obligations, the Junior DIP Agent).

(c) *No Direct Obligation to Pay Professional Fees.* Neither the DIP Agents, the DIP Secured Parties nor the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Case Professionals incurred in connection with the Chapter 11 Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Agents, DIP Secured Parties or Prepetition Secured Parties in any way to pay compensation to or to reimburse expenses of any Case Professionals, or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(d) *Payment of Carve Out After Carve Out Trigger Notice.* Any payment or reimbursement made on or after the date of the delivery of the Carve Out Trigger Notice in respect of any Carved-Out Professional Fees accrued or incurred after delivery of the Carve Out Trigger Notice shall permanently reduce the Wind-Down Carve Out Amount on a dollar-for-dollar basis.

28. Limitations on the DIP Facilities, the DIP Collateral, the Prepetition Collateral, the Cash Collateral and the Carve Out. No DIP Collateral, Prepetition Collateral, DIP Loans, Cash

Collateral, proceeds of any of the foregoing, any portion of the Carve Out or any other amounts may be used, directly or indirectly, by any of the Debtors, any Committee, if any, or any trustee or other estate representative appointed in the Chapter 11 Cases or any Successor Cases or any other person or entity (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith): (a) to object to, prevent, hinder, or delay the DIP Agents', the DIP Secured Parties' enforcement or realization upon any of the DIP Collateral, Prepetition Collateral or Cash Collateral, once a Termination Event occurs; (b) to use or seek to use Cash Collateral other than as provided pursuant to this Interim Order or, except to the extent permitted under the terms of the DIP Loan Documents, selling or otherwise disposing of DIP Collateral, in each case, without the consent of both DIP Agents; (c) to seek authorization to obtain liens or security interests that are senior to, or on a parity with, the DIP Liens or the Superpriority DIP Claims, the Adequate Protection Liens, the Adequate Protection Claims or the Prepetition Liens; (d) to request or seek any modification of this Interim Order in any manner not approved by both DIP Agents to the extent such modification would adversely affect the rights of the DIP Secured Parties or the Prepetition Secured Parties; or (e) to investigate (including by way of examinations or discovery proceedings), prepare, assert, join, commence, support or prosecute any challenge (including any litigation or other action) for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against any or all of the DIP Agents, DIP Secured Parties or Prepetition Secured Parties, or their respective affiliates, assigns or successors and the respective officers, directors, employees, agents, attorneys, representatives and other advisors of the foregoing, with respect to any transaction, occurrence, omission, action or other matter (including formal or informal discovery proceedings in anticipation thereof) with respect to (A) any claims or causes of action arising under

chapter 5 of the Bankruptcy Code, (B) any so-called "lender liability" claims and causes of action, (C) any action with respect to the amount, validity, enforceability, priority and extent of, or asserting any defense, counterclaim, or offset to, the DIP Obligations, the Superpriority DIP Claims, the DIP Liens, the DIP Loan Documents, the Adequate Protection Liens, the Adequate Protection Claims, the Prepetition RBL Loan Documents, the Prepetition RBL Obligations, the Prepetition FLMO Term Loan Documents, the Prepetition FLMO Obligations, the Prepetition FLLO Term Loan Documents, the Prepetition FLLO Obligations, the Prepetition Senior Liens, the Prepetition FLLO Liens, the Prepetition Second Lien Documents, the Prepetition Second Lien Note Obligations or the Prepetition Second Liens, (D) any action seeking to challenge, invalidate, modify, set aside, avoid, marshal, recharacterize or subordinate (other than as contemplated by the Intercreditor Agreements), in whole or in part, the DIP Obligations, the DIP Liens, the Superpriority DIP Claims, the DIP Collateral, the Prepetition Collateral, the Prepetition Liens, the Adequate Protection Liens, the Adequate Protection Claims or the Prepetition Obligations, (E) any action seeking to modify any of the rights, remedies, priorities, privileges, protections and benefits granted to the DIP Secured Parties hereunder or under any of the DIP Loan Documents or prepetition agreements including the Elk Hills Power Agreements (as defined in the Restructuring Support Agreement) or to any of the Prepetition Secured Parties hereunder or under any of the Prepetition Debt Documents (in each case, including, without limitation, claims, proceedings or actions that might prevent, hinder or delay any of the DIP Agents' or the DIP Lenders' assertions, enforcements, realizations or remedies on or against the DIP Collateral in accordance with the applicable DIP Loan Documents and this Interim Order and/or the Final Order (as applicable)), or (F) objecting to, contesting, or interfering with, in any way, the DIP Agents' and the DIP Secured Parties' enforcement or realization upon any of the DIP Collateral once a Senior DIP Event of Default or Junior DIP Event of Default has occurred;

provided, *however*, that no more than $75,000 in the aggregate of the DIP Collateral, the Carve Out, and proceeds from the borrowings under the DIP Facilities or Prepetition Collateral, may be used by any Committee to investigate claims and/or liens of the Prepetition Secured Parties. For the avoidance of doubt, the Debtor reserves the right to contest, and to use Cash Collateral to contest, the existence or extent of any Diminution in Value for purposes of any Adequate Protection Claim or Adequate Protection Lien.

29. Reservation of Certain Third Party Rights and Bar of Challenges and Claims.

(a) Each stipulation, admission, and agreement contained in this Interim Order including, without limitation, the Debtors' stipulations set forth in paragraph E hereof (collectively, the "Stipulations"), shall be binding on the Debtors upon entry of this Interim Order. The Stipulations shall be binding on any successor to the Debtors (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases) under all circumstances and for all purposes, and the Debtors are deemed to have irrevocably waived and relinquished all Challenges (as defined below) as of the Petition Date.

(b) Upon expiration of the Challenge Period (as defined below), the Stipulations shall be binding upon all other parties in interest (including without limitation, any Committee, if appointed) and any other person or entity acting or seeking to act on behalf of the Debtors' estates, in all circumstances and for all purposes, unless (1) any Committee or a party in interest (in each case, to the extent requisite standing is obtained pursuant to an order of this Court entered prior to the expiration of the Challenge Period) has timely and duly filed an adversary proceeding or contested matter (subject to the limitations contained herein) (each, a "Challenge Proceeding") by the expiration of the Challenge Period (as defined below), objecting to or challenging the amount,

validity, perfection, enforceability, priority or extent of the Prepetition Obligations, the Prepetition Liens or the Prepetition Debt Documents, or otherwise asserting or prosecuting any avoidance action or any other claim, counterclaim, cause of action, objection, contest or defense (a "Challenge") against any of the Prepetition Secured Parties, or any of their respective affiliates, subsidiaries, officers, directors, managers, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and the respective successors and assigns thereof (in each case, in their respective capacities as such), arising under, in connection with or related to the Prepetition Obligations, the Prepetition Liens or the Prepetition Debt Documents and (2) there is entered a final non-appealable order in favor of the plaintiff in any such timely filed Challenge Proceeding; ***provided***, ***however***, that any pleadings filed in any Challenge Proceeding shall set forth with specificity the basis for such Challenge (and any Challenges not so specified prior to the expiration of the Challenge Period shall be deemed forever, waived, released and barred).

(c) Only those parties in interest who properly obtain standing and commence a Challenge within the Challenge Period may prosecute such Challenge. As to (x) any parties in interest, including any Committee, who do not obtain standing and fail to file a Challenge prior to the expiration of the Challenge Period, or if any such Challenge is filed and overruled, or (y) any and all matters that are not expressly the subject of a timely Challenge: (1) any and all such Challenges by any party (including, without limitation, any Committee, any chapter 11 trustee, any examiner or any other estate representative appointed in the Chapter 11 Cases, or any chapter 7 trustee, any examiner or any other estate representative appointed in any Successor Cases), shall be deemed to be forever waived and barred; (2) all of the findings, Debtors' stipulations, waivers, releases, affirmations and other Stipulations hereunder as to the priority, extent, allowability, validity and perfection as to all Prepetition Obligations, Prepetition Liens and Prepetition Debt Documents,

shall be of full force and effect and forever binding upon the applicable Debtors' bankruptcy estates and all creditors, interest holders and other parties in interest in the Chapter 11 Cases and any Successor Cases; (3) the Debtors' estates, all creditors, interest holders and other parties in interest in the Chapter 11 Cases and any Successor Cases shall be deemed to have released, waived and discharged the Prepetition Secured Parties (in each case, whether in their prepetition or postpetition capacity), together with each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders, and employees, from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, the Prepetition Obligations; (4) the Prepetition Obligations shall constitute allowed claims and shall not be subject to any defense, claim, counterclaim, recharacterization, subordination, offset, avoidance, for all purposes in these Chapter 11 Cases and any Successor Cases; (5) the Prepetition Debt Documents shall be deemed to have been valid, as of the Petition Date, and enforceable against each of the Debtors in the Chapter 11 Cases and any Successor Cases; and (6) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, security interests and liens, not subject to recharacterization, subordination, avoidance or other defense;

(d) The "Challenge Period" shall mean the earlier of (a) sixty (60) days after the formation of any Committee, but in no event later than seventy-five (75) days after the Petition Date, (b) if no Committee is formed, seventy-five (75) days after the Petition Date and (c) the date of confirmation of a chapter 11 plan. The Challenge Period may only be extended (A) with the written consent of the Prepetition RBL Agent with respect to the Prepetition RBL Obligations, the

Prepetition RBL Loan Documents or the Prepetition Senior Liens; the Prepetition FLMO Term Loan Agent with respect to the Prepetition FLMO Obligations, the Prepetition FLMO Term Loan Documents or the Prepetition Senior Liens; the Prepetition FLLO Term Loan Agent with respect to the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Documents or the Prepetition FLLO Liens; or the Prepetition Second Lien Collateral Trustee with respect to the Prepetition Second Lien Obligations, the Prepetition Second Lien Documents or the Prepetition Second Liens, or (B) by the Court, upon a motion for cause shown, in each case, prior to the expiration of the Challenge Period.

(e) In the event there is a timely successful Challenge by a final non-appealable order, pursuant and subject to the limitations contained in this paragraph 29, to the repayment of any of the Prepetition RBL Obligations pursuant to this Interim Order based upon a successful challenge to the validity, enforceability, extent, perfection or priority of the Prepetition RBL Obligations or the liens securing the same, this Court shall determine the remedies as to the portion of the Prepetition RBL Obligations subject to the successful Challenge, which may include the unwinding the repayment of and reinstating such Prepetition RBL Obligations, and all parties' rights are fully reserved in respect of any such potential remedies . If any amount of Prepetition RBL Obligations are reinstated or required to be repaid to the Debtors or any third party, any portion of such Prepetition RBL Obligations that are secured by valid and enforceable liens shall benefit from the RBL Adequate Protection Claims and the RBL Adequate Protection Liens and the Prepetition RBL Agent reserves all of its rights to seek additional or different adequate protection.

(f) Notwithstanding anything to the contrary herein: (x) if any Challenge is timely commenced and standing is timely obtained, the Stipulations shall, upon expiration of the

Challenge Period, nonetheless remain binding and preclusive (as provided in paragraph 29(b) hereof) on all parties-in-interest (other than the party that has brought such Challenge in connection therewith and then only with respect to the Stipulations that are subject to the Challenge and not to any Stipulations not subject to the Challenge), except to the extent that such Stipulations were expressly and successfully challenged in such Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction; and (y) the Prepetition Secured Parties reserve all of their respective rights to contest on any grounds any Challenge and preserve any and all of their rights to appeal and stay any orders issued in connection with a successful Challenge. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including any Committee or any non-statutory committees appointed in the Chapter 11 Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates, and all rights to object to such standing are expressly reserved.

30. No Third Party Rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect or incidental beneficiary.

31. Section 506(c). In partial consideration for, among other things, the Carve Out and the payments made under the Approved Budget to administer the Chapter 11 Cases with the use of Cash Collateral, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases at any time shall be charged against the DIP Secured Parties or the Prepetition Secured Parties, any of the DIP Obligations or the Prepetition Obligations, or any of the DIP Collateral or the Prepetition Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise for any costs and expenses incurred in connection with the preservation, protection, enhancement or realization by the DIP Secured Parties upon the DIP Collateral, or by the Prepetition

Secured Parties upon the Prepetition Collateral, as applicable or otherwise, without the prior express written consent of the affected DIP Agent, Prepetition RBL Agent, Prepetition Senior Secured Collateral Agent, Prepetition FLLO Term Loan Agent, Prepetition FLMO Term Loan Agent or Prepetition Second Lien Collateral Trustee, in their sole discretion (but subject to the Intercreditor Agreements where applicable), provided that the foregoing shall be without prejudice to the terms of the Final Order with respect to the period from and after entry of the Final Order. For the avoidance of doubt, consent to the Carve Out or the approval of any budget hereunder shall not be deemed a consent under this paragraph. Nothing contained in this Interim Order shall be deemed to consent by the Senior DIP Agent, the Junior DIP Agent, the DIP Secured Parties, or the Prepetition Secured Parties to any charge, lien, assessment, or claims against any DIP Collateral, under section 506(c) of the Bankruptcy Code or otherwise.

32. Section 552(b). The Prepetition Secured Parties are and shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties or the Prepetition Obligations, provided that the foregoing shall be without prejudice to the terms of the Final Order with respect to the period from and after the entry of the Final Order.

33. Waiver of Marshaling for DIP Secured Parties. Subject to entry of the Final Order, the DIP Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to any of the DIP Collateral. All parties preserve until the Final Order any rights they may have (and solely to the extent they are not contractually prohibited from doing so) to argue that the DIP Lenders should be required under the equitable doctrine of marshalling or any similar equitable remedy to look first to currently encumbered assets for repayment of, or recovery on, the DIP Loans.

34. Waiver of Marshaling for Prepetition Secured Parties. Subject to the Final Order, in no event shall the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to any of the Prepetition Collateral, *provided*, that, in the event that either (x) the Restructuring Support Agreement has been terminated by the Debtors due to a material breach by the Required Consenting Creditors or (y) the Backstop Commitment Agreement has been terminated due to the Backstop Parties terminating their Backstop Commitments, the Prepetition Secured Parties shall be subject to, and retain all arguments and defenses in connection with, such doctrines.

35. Right to Credit Bid. Pursuant to section 363(k) of the Bankruptcy Code, (a) the Senior DIP Agent, on behalf of the Senior DIP Secured Parties (subject to the terms of the Senior DIP Loan Documents) shall have the right to "credit bid" (without the need to submit a deposit) up to the full amount of the Senior DIP Obligations, in connection with any sale or other disposition of all or any portion of the DIP Collateral, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code, and shall automatically be deemed a "qualified bidder" with respect to any such sale or disposition of DIP Collateral; and (b) the Junior DIP Agent, on behalf of the Junior DIP Secured Parties (subject to the terms of the Junior DIP Loan Documents) shall have the right to "credit bid" up to the full amount of the Junior DIP Obligations, in connection with any sale or other disposition of all or any portion of the DIP Collateral, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code but only if such bid by the Junior DIP Agent includes a cash payment

sufficient to provide for the Discharge of Senior DIP Obligations and the Discharge of Senior DIP Obligations occurs immediately after giving effect to such credit bid.

36. Rights Preserved. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly: (a) the rights of the DIP Secured Parties to seek any other or supplemental relief in respect of the Debtors; (b) the rights of the DIP Secured Parties under the DIP Loan Documents, the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Chapter 11 Cases, conversion of any or all of the Chapter 11 Cases to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans of reorganization; or (c) any other rights, claims, or privileges (whether legal, equitable or otherwise) of the DIP Secured Parties; *provided*, that notwithstanding the foregoing, in no event shall the Junior DIP Agent or Junior DIP Secured Parties seek additional or supplemental relief in respect of the Debtors or propose any chapter 11 plan or plan of reorganization, in each case that is inconsistent with the payment priority of the Senior DIP Obligations and Prepetition RBL Obligations set forth in paragraph 22(c). Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors' or any party-in-interest's right to oppose any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Interim Order.

37. Intercreditor Agreements. Nothing in this Interim Order shall amend or otherwise modify the terms or enforceability of the Intercreditor Agreements, including without limitation,

the turnover and bankruptcy-related provisions contained therein, and the Intercreditor Agreements shall each remain in full force and effect. The rights of the Prepetition Secured Parties shall at all times remain subject to the Intercreditor Agreements.

38. No Waiver by Failure to Seek Relief. The failure, at any time or times hereafter, of the DIP Secured Parties and the Prepetition Secured Parties, to require strict performance by the Debtors of any provision of this Interim Order shall not waive, affect or diminish any right of such parties thereafter to demand strict compliance and performance therewith. No delay on the part of any party in the exercise of any right or remedy under this Interim Order shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. No consents by any of the DIP Secured Parties or the Prepetition Secured Parties shall be implied by any inaction or acquiescence by any of the DIP Secured Parties or the Prepetition Secured Parties.

39. Binding Effect of this Interim Order. Immediately upon, and effective as of, entry by the Court, this Interim Order shall inure to the benefit of the Debtors, the DIP Secured Parties and the Prepetition Secured Parties and it shall become valid and binding upon the Debtors, the DIP Secured Parties and the Prepetition Secured Parties and any and all other creditors of the Debtors, any Committee or other committee appointed in the Chapter 11 Cases, any and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed as legal representative of any of the Debtors in any of the Chapter 11 Cases, or upon dismissal of any of the Chapter 11 Cases. Further, upon entry of this Interim Order, the DIP Obligations shall constitute allowed claims for all purposes in each of the Chapter 11 Cases.

40. No Modification to Interim Order. Until and unless the DIP Obligations and the Prepetition RBL Obligations, the Prepetition FLMO Obligations, and the Prepetition FLLO

Obligations have been indefeasibly paid in full in cash, the Debtors irrevocably waive the right to seek and shall not seek or consent to, directly or indirectly: without the prior written consent of the DIP Agents, the Majority Junior DIP Lenders, the Prepetition RBL Agent, Prepetition FLMO Term Lenders holding more than 50% of the loans under the Prepetition FLMO Credit Agreement (the "Required FLMO Term Lenders") and the Prepetition FLLO Term Lenders holding more than 50% of the loans under the Prepetition FLLO Credit Agreement (the "Required FLLO Term Lenders") (a) a priority claim for any administrative expense or unsecured claim against the Debtor (now existing or hereafter arising of any kind or nature whatsoever, including, without limitation any administrative expense of the kind specified in sections 503(b), 506(c), 507(a) or 507(b) of the Bankruptcy Code) in the Chapter 11 Cases, equal or superior to the Superpriority DIP Claims, the RBL Adequate Protection Claims, the FLMO Adequate Protection Claims or the FLLO Adequate Proection Claims other than the Carve Out; (b) any order authorizing the use of Cash Collateral resulting from the DIP Collateral or the Prepetition Collateral that is inconsistent with this Interim Order; or (c) any lien on any of the DIP Collateral or Prepetition Collateral with priority equal or superior to the DIP Liens, the Senior Adequate Protection Liens or the FLLO Adequate Proection Liens except as specifically provided in the DIP Loan Documents or this Interim Order. The Debtors irrevocably waive any right to seek any amendment, vacatur, stay, modification or extension of this Interim Order without the prior written consent, as provided in the foregoing, of the DIP Agents, the Majority Junior DIP Lenders, the Required FLMO Term Lenders and the Required FLLO Term Lenders, and Ares to the extent such amendment, vacatur, stay, modification or extension is adverse to Ares. Until the Discharge of Senior DIP Obligations, the Junior DIP Agent and the Junior DIP Secured Parties may not seek to amend, modify, vacate, supplement or waive the terms of this Interim Order in a manner adverse to the interests or rights of the Senior DIP Secured Parties or,

prior to the Prepetition RBL Obligatoins being discharged, the Prepetition RBL Secured Parties, in either case without the prior written consent of the Senior DIP Agent and the Prepetition RBL Agent, as applicable.

41. Order Controls. In the event of any inconsistency between the terms and conditions of the DIP Loan Documents, any other document or any other order of the Court and of this Interim Order, the provisions of this Interim Order shall govern and control.

42. Limits on Lender Liability. Nothing in this Interim Order or in any of the DIP Loan Documents or the Prepetition Debt Documents or any other documents related to this transaction shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Secured Parties or the Prepetition Secured Parties of any liability for any claims arising from any and all activities by the Debtors in the operation of their businesses in connection with the Debtors' postpetition restructuring efforts.

43. Survival. The provisions of this Interim Order and any actions taken pursuant hereto shall survive, and shall not be modified, impaired or discharged by, entry of any order that may be entered (a) confirming any plan of reorganization in any of the Chapter 11 Cases, (b) converting any or all of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (c) dismissing any or all of the Chapter 11 Cases, or (d) pursuant to which the Court abstains from hearing any of the Chapter 11 Cases. The terms and provisions of this Interim Order, including the claims, liens, security interests, and other protections (as applicable) granted to the DIP Secured Parties and the Prepetition Secured Parties pursuant to this Interim Order, notwithstanding the entry of any such order, shall continue in any of the Chapter 11 Cases, following dismissal of any of the Chapter 11 Cases, or any Successor Cases, and shall maintain their priority as provided by this Interim Order. The DIP Protections (as defined below), as well as the terms and provisions concerning the

reimbursement and indemnification of the DIP Secured Parties shall continue in any of the Chapter 11 Cases following dismissal of any of the Chapter 11 Cases, termination of the provisions of this Interim Order, and/or the indefeasible payment in full of the DIP Obligations.

44. Dismissal. If any order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code), that (i) the rights, privileges, benefits and protections afforded herein and in the DIP Loan Documents, including the DIP Liens and the Superpriority DIP Claims (collectively, the "DIP Protections"), shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order until all DIP Obligations have been paid in full (and that all DIP Protections shall, notwithstanding such dismissal, remain binding on all parties in interest), and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing such DIP Protections.

45. Entry of this Interim Order/Waiver of Applicable Stay. The Clerk of the Court is hereby directed to forthwith enter this Interim Order on the docket of the Court maintained in regard to the Chapter 11 Cases. This Interim Order shall be effective upon its entry and not subject to any stay (all of which are hereby waived), notwithstanding anything to the contrary contained in Bankruptcy Rule 4001(a)(3).

46. Final Hearing. The final hearing with respect to the relief requested in the Motion shall be held on August 14, 2020 at 9:00 A.M. (prevailing Central Time) (the "Final Hearing"). Any objections or responses to entry of the proposed Final Order shall be filed on or before 4:00 p.m. (prevailing Central Time) on _____, 2020 and served on the following parties: (a) the Debtors, California Resources Corporation, 27200 Tourney Road, Suite 200, Santa Clarita, CA 91355 (Attn: Michael L. Preston); (b) proposed counsel to the Debtors,

Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Alexa J. Kranzley) and Vinson & Elkins LLP, 1001 Fannin Street, Suite 2500, Houston, Texas 77002 (Attn: Paul E. Heath); (c) counsel to the administrative agent for the Debtors' Senior DIP Facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 (Attn: Sandy Qusba and Nicholas A. Baker) and Norton Rose Fulbright US LLP, 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201-7932 (Attn: Louis Strubeck and Jason L. Boland); (d) counsel to the Ad Hoc First Lien Group, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York, 11017 (Attn: Damian S. Schaible and Angela M. Libby); (e) counsel to Ares, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, 10022 (Attn: Steven Serajeddini); (f) counsel to the ad hoc group of Prepetition Second Lien Noteholders; (g) counsel to any statutory committee appointed in these chapter 11 cases; (h) the U.S. Trustee; and (i) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. In the event the Court modifies any of the provisions of this Interim Order or other documents following the Final Hearing, such modifications shall not affect the rights and priorities of the DIP Agents and the DIP Lenders pursuant to this Interim Order with respect to the DIP Collateral and any portion of the DIP Facilities that arises, or is incurred or is advanced prior to such modifications (or otherwise arising prior to such modifications), and this Interim Order shall remain in full force and effect except as specifically modified pursuant to the Final Hearing.

47. Effect of this Interim Order. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 and 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

48. Retention of Jurisdiction. The Court shall retain exclusive jurisdiction to hear, determine and, if applicable, enforce the terms of, any and all matters arising from or related to the DIP Facilities and/or this Interim Order.

EXHIBIT 10.2

Certain portions of this exhibit (indicated by "[*****]") have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

Execution Version

JUNIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT
DATED AS OF JULY 23, 2020

AMONG

CALIFORNIA RESOURCES CORPORATION,
A DEBTOR AND A DEBTOR-IN-POSSESSION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE,
AS THE BORROWER,

THE SEVERAL LENDERS
FROM TIME TO TIME PARTIES HERETO,

AND

ALTER DOMUS PRODUCTS CORP.,
AS ADMINISTRATIVE AGENT

_____

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JUNIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT, dated as of July 23, 2020, among CALIFORNIA RESOURCES CORPORATION, a Delaware corporation (the "Borrower" or the "Company"), as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code, the banks, financial institutions and other lending institutions from time to time party as lenders hereto (each a "Lender" and, collectively, the "Lenders") and Alter Domus Products Corp., as Administrative Agent.

WHEREAS, the Company is party to that certain Credit Agreement, dated as of November 17, 2017 (as heretofore amended, restated, supplemented or otherwise modified and as in effect immediately prior to the effectiveness of this Agreement, the "Prepetition FLMO Credit Agreement"), among the Company, as borrower, the financial institutions party thereto as lenders and The Bank of New York Mellon Trust Company, N.A., as administrative agent, pursuant to which certain loans to the Borrower were made for certain purposes as set forth therein;

WHEREAS, on July 15, 2020 (the "Petition Date"), the Borrower and certain of its Subsidiaries (collectively, the "Debtors" and each individually, a "Debtor") filed a voluntary petition for relief under the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") (such proceedings being jointly administered under Case No. 20-33568 are hereinafter referred to as the "Chapter 11 Cases"). Each Debtor continues to operate its businesses and manage its properties as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, in connection with the Chapter 11 Cases, the Borrower has requested that (x) the Lenders provide a junior secured superpriority debtor-in-possession term loan facility (the "Junior DIP Facility") in an aggregate principal amount not to exceed $650,000,000 and (y) certain other lenders provide a senior secured superpriority debtor-in-possession revolving credit facility in an aggregate principal amount not to exceed $483,010,655.62 pursuant to the Senior DIP Credit Agreement (the "Senior DIP Facility" and, together with the Junior DIP Facility, the "DIP Facilities"), with all of the Company's obligations under each DIP Facility to be guaranteed by such Subsidiaries of the Company acting as Guarantors under the Credit Documents; and

WHEREAS, the Lenders are willing to make available to the Borrower such credit upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Defined Terms.

(a) Terms defined in the preamble have the meaning ascribed to them in the preamble.

(b) As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"4-week Rolling Average Liquidity" shall mean, as of any date of determination, the quotient of (a) the sum of Liquidity at the close of business on each of the four (4) Fridays immediately preceding such date of determination *divided by* (b) four (4).

"13-week Projection" shall mean, for any 13-week period, a 13-week forecast of receipts and disbursements of the Borrower and the other Credit Parties on a consolidated basis, broken down by week, including (a) individual line items for "Total Receipts," "Total Operating Disbursements," "Professional Fees," "Operating AP Payments," "Payroll/Payroll Taxes," and "Elk Hills Power Capacity/Reimbursement," and (b) anticipated uses of the Senior DIP Facility for such period. Each such 13-week Projection shall be in substantially the same form as the initial Budget delivered pursuant to Section 7.7 and attached hereto as Exhibit A or otherwise in a form acceptable to the Majority Lenders.

"ABR" shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBOR Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted LIBOR Rate for any day shall be based on the LIBOR Screen Rate (or if the LIBOR Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the ABR due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOR Rate, respectively. If the ABR is being used as an alternate rate of interest pursuant to Section 2.17 (for the avoidance of doubt, only until any amendment has become effective pursuant to Section 2.17(b)), then the ABR shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the ABR shall be less than 2.0%, such rate shall be deemed to be 2.0% for purposes of this Agreement.

"ABR Loan" shall mean each Loan bearing interest based on the ABR.

"Ad Hoc Term Lender Group" shall mean the ad hoc group of those certain funds or accounts managed, advised, or sub-advised by those certain funds that hold claims in respect of the Prepetition FLMO Credit Agreements and that is represented by the Ad Hoc Term Lender Group Advisors.

"Ad Hoc Term Lender Group Advisors" shall mean Davis Polk & Wardwell LLP, Evercore Inc., Haynes and Boone, LLP, Trimeric Corporation, Cox, Castle & Nicholson LLP, Cornerstone Engineering, Inc., Rapp & Krock, PC, ERM Consulting and Engineering Inc., and any other special and local counsel and advisors providing advice to the Ad Hoc Term Lender Group in connection with the DIP Facilities, the Chapter 11 Cases and related restructuring transactions.

"Adjusted LIBOR Rate" shall mean, with respect to any Borrowing of LIBOR Loans for any Interest Period, an interest rate *per annum* (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to (a) the LIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" shall mean Alter Domus Products Corp., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent appointed in accordance with the provisions of Section 13.10.

"Administrative Agent Fee Letter" means the fee letter, dated as of the date hereof, between the Administrative Agent and the Borrower.

"Administrative Agent's Office" shall mean the Administrative Agent's address and, as appropriate, account as set forth on Schedule 14.2, or such other address or account as the Administrative Agent may from time to time notify in writing to the Borrower and the Lenders.

"Administrative Questionnaire" shall mean, for each Lender, an administrative questionnaire in a form approved by the Administrative Agent.

"Affected Financial Institution" shall mean (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise. "Controlling" ("controlling") and "controlled" shall have meanings correlative thereto.

"Agreement" shall mean this Credit Agreement.

"Ancillary Document" shall have the meaning provided in Section 14.9(b).

"Anti-Corruption Laws" shall mean all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Margin" shall mean for any day, 9.00% per annum for LIBOR Loans and 8.00% per annum for ABR Loans.

"Approved Electronic Platform" shall have the meaning provided in Section 13.17(a).

"Approved Fund" shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Approved Petroleum Engineer" shall mean (a) each independent petroleum engineering firm that has prepared a Reserve Report delivered to the Senior DIP Agent under the Senior DIP Credit Agreement prior to the Discharge of Senior DIP Obligations; provided that any such independent petroleum engineering firm that shall have been deemed to no longer be acceptable by the Senior DIP Agent prior to the Discharge of Senior DIP Obligations shall not be an "Approved Petroleum Engineer" and (b) any other independent petroleum engineer selected by the Borrower and reasonably acceptable to the Majority Lenders.

"Assignment and Acceptance" shall mean an assignment and acceptance substantially in the form of Exhibit E or such other form as may be approved by the Administrative Agent.

"Authorized Officer" shall mean as to any Person, the President, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Treasurer, the Assistant or Vice Treasurer, the Vice President-Finance, the General Counsel, any Senior Vice President, any Executive Vice President, and any manager, managing member or general partner, in each case, of such Person, and any other senior officer designated as such in writing to the Administrative Agent by such Person. Any document delivered hereunder that is signed by an Authorized Officer shall be conclusively presumed to have been authorized by all necessary corporate, limited liability company, partnership and/or other action on the part of the Borrower or any other Credit Party and such Authorized Officer shall be conclusively presumed to have acted on behalf of such Person.

"Avoidance Action Proceeds" shall mean any and all proceeds of any Avoidance Action.

"Avoidance Actions" shall mean all claims and causes of action under sections 502(d), 544, 545, 547, 548, 550 and 553 of the Bankruptcy Code.

"Bail-In Action" shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" shall mean (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank Price Deck" shall mean the Senior DIP Agent's forward curve for each of oil, natural gas and other Hydrocarbons, as applicable, furnished to the Borrower by the Senior DIP Agent from time to time under and in accordance with the terms of the Senior DIP Credit Agreement.

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy".

"Bankruptcy Court" shall have the meaning provided in the recitals hereto.

"Bankruptcy Event" shall mean, with respect to any Person, such Person becomes the subject of a voluntary or involuntary bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Majority Lenders, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment or has had any order for relief in such proceeding entered in respect thereof; provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Benchmark Replacement" shall mean the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LIBOR Rate for Dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than 1.00%, the Benchmark Replacement will be deemed to be 1.00% for the purposes of this Agreement; provided, further, that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion.

"Benchmark Replacement Adjustment" shall mean the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBOR Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (b) any evolving or then-prevailing market convention for determining

a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBOR Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time (for the avoidance of doubt, such Benchmark Replacement Adjustment shall not be in the form of a reduction to the Applicable Margin).

"Benchmark Replacement Conforming Changes" shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "ABR," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" shall mean the earlier to occur of the following events with respect to the LIBOR Rate:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the LIBOR Screen Rate permanently or indefinitely ceases to provide the LIBOR Screen Rate; or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event" shall mean the occurrence of one or more of the following events with respect to the LIBOR Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the LIBOR Screen Rate announcing that such administrator has ceased or will cease to provide the LIBOR Screen Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Screen Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBOR Screen Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBOR Screen Rate, a resolution authority with jurisdiction over the administrator for the LIBOR Screen Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBOR Screen Rate, in each case which states that the administrator of the LIBOR Screen Rate has ceased or will cease to provide the LIBOR Screen Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Screen Rate; and/or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBOR Screen Rate announcing that the LIBOR Screen Rate is no longer representative.

"Benchmark Transition Start Date" shall mean (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a

public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Majority Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Majority Lenders) and the Lenders.

"Benchmark Unavailability Period" shall mean, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBOR Rate and solely to the extent that the LIBOR Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBOR Rate for all purposes hereunder in accordance with Section 2.17 and (y) ending at the time that a Benchmark Replacement has replaced the LIBOR Rate for all purposes hereunder pursuant to Section 2.17.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230.

"Benefit Plan" shall mean any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Benefited Lender" shall have the meaning provided in Section 14.8(a).

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Board of Directors" shall mean, as to any Person, the board of directors or other governing body of such Person, or if such Person is owned or managed by a single entity, the board of directors or other governing body of such entity.

"Borrower" shall have the meaning provided in the preamble to this Agreement.

"Borrowing" shall mean the incurrence of one Type of Loan on a given date (or resulting from conversions on a given date) having, in the case of LIBOR Loans, the same Interest Period (provided that ABR Loans incurred pursuant to Section 2.10(b) shall be considered part of any related Borrowing of LIBOR Loans).

"Budget" shall mean (a) initially, a 13-week Projection for the 13-week period commencing on the Petition Date, and (b) thereafter, the 13-week Projection approved or deemed approved by the Majority Lenders pursuant to Section 10.1(i)(i).

"Budget Certificate" has the meaning assigned to such term in Section ☒10.1(i)(i).

"Business Day" shall mean any day excluding Saturday, Sunday and any other day on which banking institutions in New York City or Los Angeles, California are authorized by law or other governmental actions to close, and, if such day relates to (a) any interest rate settings as to a LIBOR Loan, (b) any fundings,

disbursements, settlements and payments in respect of any such LIBOR Loan, or (c) any other dealings pursuant to this Agreement in respect of any such LIBOR Loan, such day shall be a day on which dealings in deposits in Dollars are conducted by and between banks in the London interbank eurodollar market.

"Capital Expenditures" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) by the Borrower and the Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as capital expenditures on a consolidated statement of cash flows of the Borrower and its Subsidiaries.

"Capital Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person.

"Capitalized Lease Obligations" shall mean, as applied to any Person, all obligations under Capital Leases of such Person or any of its Subsidiaries, in each case taken at the amount thereof accounted for as liabilities in accordance with GAAP.

"Carve Out" has the meaning assigned to such term in the applicable DIP Order.

"Casualty Event" shall mean, with respect to any Collateral, (a) any damage to, destruction of, or other casualty or loss involving, any property or asset or (b) any seizure, condemnation, confiscation or taking under the power of eminent domain of, or any requisition of title or use of, or relating to, or any similar event in respect of, any property or asset.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

"CFC" shall mean a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change in Law" shall mean the occurrence after the date of this Agreement of any of the following: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of clauses (a)(ii) or (c) of Section 2.10, by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" shall mean and be deemed to have occurred if:

(a) any Person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act, but excluding any employee benefit plan of such Person, entity or "group" and their respective Subsidiaries and any Person or entity acting in its capacity as trustee, agent or other fiduciary or administrator

of any such plan), shall at any time have acquired direct or indirect beneficial ownership (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act) of voting power of the outstanding Voting Stock of the Borrower having more than 35% of the ordinary voting power for the election of directors of the Borrower; or

(b) occupation at any time of a majority of the seats (other than vacant seats) on the Board of Directors of the Borrower by Persons who were not (i) directors of the Borrower on the date of this Agreement, (ii) nominated or appointed by the Board of Directors of the Borrower or (iii) approved by the Board of Directors of the Borrower for consideration by shareholders as director candidates prior to their election.

"Chapter 11 Cases" shall have the meaning provided in the recitals hereto.

"Closing Date" shall mean the date on which the conditions specified in ARTICLE VII are satisfied (or waived in accordance with Section 14.1).

"Closing Date Lender" shall have the meaning provided in Section 14.6(b)(ii)(C).

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Collateral" shall mean the "DIP Collateral" as defined in the DIP Order.

"Commitment" shall mean the amount set forth opposite such Lender's name on Schedule 1.1(a) as such Lender's "Commitment".

"Commitment Percentage" shall mean, at any time, for each Lender, the percentage obtained by dividing (a) such Lender's Commitment at such time by (b) the amount of the Total Commitment at such time.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Credit Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender by means of electronic communications pursuant to Section 13.17, including through an Approved Electronic Platform.

"Compounded SOFR" shall mean the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:

(a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(b) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for Dollar-denominated syndicated credit facilities at such time;

provided, further, that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (a) or clause (b) is not administratively feasible for the

Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of "Benchmark Replacement."

"Confidential Information" shall have the meaning provided in Section 14.16.

"Confirmation Order" shall mean an order of the Bankruptcy Court approving the Plan of Reorganization in form and substance reasonably acceptable to the Majority Lenders (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, to the Administrative Agent).

"Consolidated Cash Balance" shall have the meaning set forth in the definition of "Liquidity".

"Contractual Requirement" shall have the meaning provided in Section 9.3.

"Corresponding Tenor" with respect to a Benchmark Replacement shall mean a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the LIBOR Rate.

"Credit Documents" shall mean this Agreement, the Guarantee, any promissory notes issued by the Borrower under this Agreement, the Security Documents and the Administrative Agent Fee Letter.

"Credit Event" shall mean and include the making (but not the conversion or continuation) of a Loan.

"Credit Party" shall mean each of the Borrower and the Guarantors.

"Debtor(s)" shall have the meaning provided in the recitals hereto.

"Default" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"Default Rate" shall have the meaning provided in Section 2.8(c).

"Development Joint Venture" shall mean each incorporated or unincorporated partnership, or other jointly owned enterprise or entity or a joint venture or contractual relationship (even if not a partnership or joint venture), in each case, in effect as of, and in existence on, the Petition Date and set forth on Schedule 1.1(b), to which the Borrower or a Subsidiary is a party and which was formed for the purpose of exploring for and/or developing Oil and Gas Properties, where each of the parties thereto have contributed or agreed to contribute cash, services, Oil and Gas Properties, other assets, or any combination of the foregoing.

"DIP Facilities" shall have the meaning provided in the recitals hereto.

"DIP Order" shall mean, individually or collectively, as the context may require, the Interim Order and the Final Order, as applicable.

"Discharge of Senior DIP Obligations" has the meaning provided in the applicable DIP Order.

"Disclosure Statement" shall mean a disclosure statement for the Plan of Reorganization reasonably acceptable to the Majority Lenders (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, to the Administrative Agent).

"Disposition" shall have the meaning provided in Section 11.4. "Dispose" shall have a correlative meaning.

"Disqualified Stock" shall mean, with respect to any Person, any Stock or Stock Equivalents of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Stock or Stock Equivalents that is not Disqualified Stock), other than as a result of a change of control or asset sale, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than as a result of a change of control or asset sale to the extent the terms of such Stock or Stock Equivalents provide that such Stock or Stock Equivalents shall not be required to be repurchased or redeemed until the Maturity Date has occurred or such repurchase or redemption is otherwise permitted by this Agreement (including as a result of a waiver hereunder)), in whole or in part, in each case prior to the date that is 91 days after the Maturity Date hereunder; provided that, if such Stock or Stock Equivalents are issued to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, such Stock or Stock Equivalents shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations; provided, further, that any Stock or Stock Equivalents held by any future, present or former employee, director, manager or consultant of the Borrower, any of its Subsidiaries or any of its direct or indirect parent companies or any other entity in which the Borrower or a Subsidiary has an Investment and is designated in good faith as an "affiliate" by the board of directors or managers of the Borrower, in each case pursuant to any equity holders' agreement, management equity plan or stock incentive plan or any other management or employee benefit plan or agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries.

"Disregarded Entity" shall mean any Domestic Subsidiary that is disregarded for U.S. federal income tax purposes.

"Dollars" and "$" shall mean dollars in lawful currency of the United States of America.

"Domestic Subsidiary" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States or any state thereof, or the District of Columbia.

"Early Opt-in Election" shall mean the occurrence of:

(a) (i) a determination by the Administrative Agent or (ii) a notification by the Majority Lenders to the Administrative Agent (with a copy to the Borrower) that the Majority Lenders have determined that Dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.17 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBOR Rate, and

(b) (i) the election by the Administrative Agent or (ii) the election by the Majority Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Majority Lenders of written notice of such election to the Administrative Agent.

"EEA Financial Institution" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of

an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" shall mean any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Signature" shall mean an electronic sound, symbol or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Elk Hills Power Agreements" shall mean, collectively, (a) the Contribution and Unit Purchase Agreement, dated as of February 7, 2018, by and among Elk Hills Power, LLC, California Resources Elk Hills, LLC, ECR Corporate Holdings L.P. and, solely for the purposes of Section 7.14 thereof, California Resources Corporation; (b) the Second Amended and Restated Limited Liability Company Agreement of Elk Hills Power, LLC, dated as of February 7, 2018, by and between California Resources Elk Hills, LLC and ECR Corporate Holdings L.P.; (c) the Commercial Agreement, dated as of February 7, 2018, by and between Elk Hills Power, LLC and California Resources Elk Hills, LLC; (d) the Master Services Agreement, dated as of February 7, 2018, by and between Elk Hills Power, LLC and California Resources Elk Hills, LLC; and (e) any other agreements entered into in connection with the transactions contemplated by the foregoing agreements, in each case, as in effect on the date hereof.

"Environmental Claims" shall mean any and all actions, suits, orders, decrees, demands, demand letters, claims, liens, notices of noncompliance, violation or potential responsibility or investigation (other than internal reports prepared by or on behalf of the Borrower or any of the Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings arising under or based upon any applicable Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "Claims"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief relating to the presence, release or threatened release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands.

"Environmental Law" shall mean any applicable Federal, state, or local statute, law (including, without limitation, common law), rule, regulation, ordinance, or code of any Governmental Authority now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree or judgment, relating to the protection of the environment, including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or human health or workplace safety (to the extent relating to human exposure to Hazardous Materials), or the release or threatened release of Hazardous Materials.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974. Section references to ERISA are to ERISA as in effect on the Closing Date and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) that together with the Borrower would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"EU Bail-In Legislation Schedule" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" shall have the meaning provided in Section 12.1.

"Exchange Act" shall mean the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder.

"Exchange Rate" shall mean on any day with respect to any currency (other than Dollars), the rate at which such currency may be exchanged into any other currency (including Dollars), as set forth at approximately 11:00 a.m. (London time) on such day on the applicable Bloomberg screen page for such currency. In the event that such rate does not appear on any Bloomberg screen page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange offered to the Administrative Agent by major banks in respect of such currency, at or about 11:00 a.m., local time, on such date for the purchase of the relevant currency for delivery two Business Days later.

"Excluded Hedges" shall mean Hedge Agreements that (i) are basis differential only swaps for volumes of crude oil and natural gas included under other Hedge Agreements permitted by Section 11.10 or (ii) are a hedge of volumes of crude oil or natural gas by means of a put or a price "floor" for which there exists no mark-to-market exposure to the Borrower.

"Excluded Property" shall mean (a) all Excluded Stock, (b) any property to the extent the grant or maintenance of a Lien on such property (i) is prohibited by applicable law, (ii) could reasonably be expected to result in material adverse tax consequences to the Borrower or any Subsidiary of the Borrower, (iii) requires a consent not obtained of any Governmental Authority pursuant to applicable law or (iv) is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property, except, in the case of clauses (i), (ii) and (iv) of this clause (b), to the extent that such prohibition, consent or term in such contract, license, agreement, instrument or other document or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law (including pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code or pursuant to the Bankruptcy Code), (c) trust accounts, payroll accounts, zero balance accounts and escrow accounts, in each case for so long as they remain such type of account, (d) any intent-to-use trademark or service mark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent that, and solely during the period in which, the grant of a security interest therein would violate the Lanham Act or impair the validity or enforceability of, or render void or voidable or result in the cancellation of, the applicable Grantor's right, title or interest therein or any trademark or service mark that issues as a result of such intent-to-use trademark or service mark application under applicable federal law and (e) proceeds of any of the foregoing, but only to the extent such proceeds would otherwise

independently constitute "Excluded Property" under clauses (a) through (d); provided that "Excluded Property" shall not include any Avoidance Action Proceeds.

"Excluded Stock" shall mean (a) solely in the case of any pledge of Stock or Stock Equivalents of any Foreign Corporate Subsidiary or FSHCO to secure the Obligations, any Stock or Stock Equivalents that is Voting Stock of such Foreign Corporate Subsidiary or FSHCO in excess of 66% of the outstanding Stock and Stock Equivalents of such class and, solely in the case of a pledge of Stock or Stock Equivalents of any Disregarded Entity substantially all of whose assets consist of Stock and Stock Equivalents of Foreign Corporate Subsidiaries to secure the Obligations, any Stock or Stock Equivalents of such Disregarded Entity in excess of 66% of the outstanding Stock and Stock Equivalents of such entity (such percentage to be adjusted upon any change of law as may be required to avoid adverse U.S. federal income tax consequences to the Borrower or any Subsidiary), (b) any Stock or Stock Equivalents to the extent the pledge thereof would be prohibited by any Requirement of Law, (c) in the case of (i) any Stock or Stock Equivalents of any Subsidiary to the extent the pledge of such Stock or Stock Equivalents is prohibited by Contractual Requirements (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable Requirements of Law) or (ii) any Stock or Stock Equivalents of any Subsidiary that is not wholly owned by the Borrower and its Subsidiaries, any Stock or Stock Equivalents of each such Subsidiary described in clause (i) and (ii) to the extent (A) that a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Requirement (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code, the Bankruptcy Code or other applicable Requirements of Law), (B) any Contractual Requirement prohibits such a pledge without the consent of any other party (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable Requirements of Law); provided that this clause (B) shall not apply if (1) such other party is a Credit Party or a Subsidiary or (2) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent) and for so long as such Contractual Requirement or replacement or renewal thereof is in effect, or (C) a pledge thereof to secure the Obligations would give any other party (other than a Credit Party or a wholly owned Subsidiary) to any Contractual Requirement governing such Stock or Stock Equivalents the right to terminate its obligations thereunder unless such termination is subject to Section 362 of the Bankruptcy Code (other than customary non-assignment provisions that are ineffective under the Uniform Commercial Code, the Bankruptcy Code or other applicable Requirement of Law), (d) the Stock or Stock Equivalents of any Subsidiary of a Foreign Corporate Subsidiary and (e) any Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Stock or Stock Equivalents would result in material adverse tax consequences to the Borrower or any Subsidiary as reasonably determined by the Borrower.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, (i) Taxes imposed on or measured by its overall net income or branch profits (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of state, local or foreign law), and franchise (and similar) Taxes imposed on it (in lieu of net income Taxes), in each case by a jurisdiction (including any political subdivision thereof) as a result of such recipient being organized in, having its principal office in, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or as a result of any other present or former connection with such jurisdiction (other than any such connection arising solely from this Agreement or any other Credit Documents or any transactions contemplated thereunder), (ii) except in the case of a Lender that is an assignee pursuant to a request by the Borrower under Section 14.7, in the case of a Non-U.S. Lender, any United States federal withholding Tax imposed on any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document that (A) is required to be imposed on amounts payable to such Non-U.S. Lender pursuant to laws in force at the time such Non-

U.S. Lender becomes a party hereto (or designates a new lending office), except to the extent that such Non-U.S. Lender (or its assignor, if any) was entitled, immediately prior to the designation of a new lending office (or assignment), to receive additional amounts or indemnification payments from any Credit Party with respect to such withholding Tax pursuant to Section 5.4 or (B) is attributable to such Lender's failure to comply with Section 5.4(e) or (iii) any United States federal withholding Tax imposed under FATCA.

"Exit Premium" shall have the meaning provided in Section 4.1(c).

"Exit Premium Assignment and Acceptance" shall have the meaning provided in Section 14.6(g).

"Exit Premium Register" shall have the meaning provided in Section 14.6(g).

"Fair Market Value" shall mean, with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a Disposition of such asset at such date of determination assuming a Disposition by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as reasonably determined by the Borrower.

"farm-in or farm-out" shall have the meaning commonly given to such term in the oil and gas industry, and without limiting the foregoing, shall expressly include transactions involving assignments or other dispositions of all or part of oil, natural gas or mineral interests in which the assignor or other disposing party retains an interest in consideration of the assignee or other disposing party assuming or undertaking obligations with respect to such interests, including cost reimbursement and/or agreements to perform services in connection with the development of the relevant assets.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations thereunder or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement.

"Federal Funds Effective Rate" shall mean, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided, that (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be the rate calculated by the NYFRB based on the next preceding Business Day's federal funds transactions by depositary institutions and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to major banks on such day on such transactions as determined by the Administrative Agent; provided, further that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Bank of New York's Website" shall mean the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"Final Order" shall mean the final order of the Bankruptcy Court authorizing and approving the Debtors' entry into and performance under the Junior DIP Facility on a final basis, including the granting of the Liens and Superpriority Claims in respect of the Junior DIP Facility in favor of the Administrative Agent

and the Secured Parties, in substantially the form of the Interim Order, with such changes as the Majority Lenders (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, the Administrative Agent) approve in their sole discretion.

"Final Order Entry Deadline" shall mean, as to the Final Order, entry thereof by the Bankruptcy Court on or before the date that is forty (40) days following the entry of the Interim Order, unless such date is extended with the consent of the Majority Lenders.

"Financial Officer" means, for any Person, the chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller of such Person. Unless otherwise specified, all references herein to a Financial Officer means a Financial Officer of the Borrower.

"Financial Performance Covenants" shall mean the covenants of the Borrower set forth in Section 11.11.

"Fixtures" shall have the meaning provided in Section 2.18.

"Flood Insurance Regulations" shall mean (a) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (b) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (c) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et. seq.), as the same may be amended or recodified from time to time, (d) the Flood Insurance Reform Act of 2004, and (e) the Biggert-Waters Flood Reform Act of 2012, and any regulations promulgated thereunder.

"Foreign Corporate Subsidiary" shall mean a Foreign Subsidiary that is treated as a corporation for U.S. federal income tax purposes.

"Foreign Plan" shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any of its Subsidiaries with respect to employees employed outside the United States.

"Foreign Subsidiary" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Fronting Lender" shall mean Credit Suisse Loan Funding LLC.

"FSHCO" shall mean any direct or indirect Subsidiary that has no material assets other than the Stock and Stock Equivalents of one or more direct or indirect Foreign Corporate Subsidiaries.

"Fund" shall mean any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course.

"GAAP" shall mean United States generally accepted accounting principles, as in effect from time to time.

"Governmental Authority" shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"Guarantee" shall mean the Guarantee made by any Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit D.

"Guarantee Obligations" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such Indebtedness or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness or (d) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided that the term "Guarantee Obligations" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or Disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Guarantors" shall mean each Subsidiary other than the Non-Debtor Subsidiaries.

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas, (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law and (c) any other chemical, material or substance, which is prohibited, limited or regulated by any applicable Environmental Law.

"Hedge Agreements" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, fixed-price physical delivery contracts, whether or not exchange traded, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement. Notwithstanding the foregoing, agreements or obligations entered into in the ordinary course of business to physically buy or sell any commodity produced from the Borrower's and its Subsidiaries' Oil and Gas Properties or electricity generation facilities under an agreement that has a tenor under 90 days shall not be considered Hedge Agreements.

"Hedge Obligations" shall mean, with respect to any Person, the obligations of such Person under Hedge Agreements.

"Historical Financial Statements" shall mean (a) the audited combined balance sheets of the Borrower and its consolidated Subsidiaries as of December 31, 2018 and December 31, 2019, and the related audited combined statements of income and comprehensive income, statements of net investment and statements of cash flows for each of the fiscal years in the two-year period ended December 31, 2019 and (b) the unaudited combined balance sheet of the Borrower and its consolidated Subsidiaries as of March 31, 2020, and the related unaudited combined statements of income and comprehensive income and statements of cash flows for the three-month period ended March 31, 2020.

"Hydrocarbon Interests" shall mean all rights, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"Hydrocarbons" shall mean oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom.

"Identified Assets" shall have the meaning provided in Section 5.2(f).

"Impacted Interest Period" shall have the meaning provided in the definition of "LIBOR Rate."

"Improvements" shall have the meaning provided in Section 2.18.

"Indebtedness" of any Person shall mean (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (c) the deferred purchase price of assets or services that in accordance with GAAP would be included as a liability on the balance sheet of such Person (other than (i) any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and (ii) obligations resulting under firm transportation contracts or take or pay contracts entered into in the ordinary course of business), (d) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (e) all Indebtedness (excluding prepaid interest thereon) of any other Person secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (f) the principal component of all Capitalized Lease Obligations of such Person, (g) obligations to deliver commodities, goods or services, including Hydrocarbons, in consideration of one or more advance payments, other than obligations relating to net oil, natural gas liquids or natural gas balancing arrangements arising in the ordinary course of business, (h) the undischarged balance of any Production Payment created by such Person or for the creation of which such Person directly or indirectly received payment, and (i) without duplication, all Guarantee Obligations of such Person; provided that Indebtedness shall not include (i) trade and other ordinary course payables and accrued expenses arising in the ordinary course of business, (ii) deferred or prepaid revenue, (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller, (iv) any obligation in respect of a farm-in agreement, joint development agreement, joint operating agreement or similar arrangement whereby such Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well (which agreement may be subject to a maximum payment obligation, after which expenses are shared in accordance with the working or participation interest therein or in accordance with the agreement of the parties) or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or gas property, (v) any obligations in respect of any Hedge Agreement that is permitted under this Agreement, (vi) prepayments for gas or crude oil production not to exceed $10,000,000 in the aggregate at any time outstanding, provided that no more than $5,000,000 of such prepayments shall be outstanding more than 30 days in advance thereof or (vii) obligations arising from net profits interests, working interests, overriding, non-participating or other royalty interests or similar real property interests.

"Indemnified Liabilities" shall have the meaning provided in Section 14.5(c).

"Indemnified Taxes" shall mean all Taxes imposed on or with respect to or measured by, any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document other than (a) Excluded Taxes, (b) Other Taxes and (c) any interest, penalties or expenses caused by the Administrative Agent's or Lender's gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction.

"Indemnitee" shall have the meaning provided in Section 14.5(c).

"Industry Investment" shall mean Investments and expenditures made in the ordinary course of, and of a nature that is or shall have become customary in, the oil and gas business as a means of actively engaging therein through agreements, transactions, interests or arrangements that permit one to share risks or costs, comply with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of oil and gas business jointly with third parties, including: (1) ownership interests in oil and gas properties or gathering, transportation, processing, electricity and power generation, or related systems; and (2) Investments and expenditures in the form of or pursuant to operating agreements, processing agreements, farm-in agreements, farm-out agreements, development agreements, area of mutual interest agreements, unitization agreements, pooling arrangements, joint bidding agreements, service contracts, joint venture agreements, partnership agreements (whether general or limited), and other similar agreements (including for limited liability companies) with third parties.

"Interest Period" shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"Interim Order" shall mean an order of the Bankruptcy Court in substantially the form attached hereto as Exhibit G and otherwise satisfactory in form and substance to the Majority Lenders (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, to the Administrative Agent) in their sole discretion.

"Interim Period" means the time period commencing on the date of the Bankruptcy Court's entry of the Interim Order and ending on the Final Order Entry Deadline.

"Interpolated Rate" shall mean, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBOR Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Screen Rate for the longest period (for which the LIBOR Screen Rate is available for Dollars) that is shorter than the Impacted Interest Period; and (b) the LIBOR Screen Rate for the shortest period (for which that LIBOR Screen Rate is available for Dollars) that exceeds the Impacted Interest Period, in each case, at such time; provided that, if any Interpolated Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Investment" shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of Stock, Stock Equivalents, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale), (b) the making of any deposit with, or advance, loan or other extension of credit to, assumption of Indebtedness of, or capital contribution to, or purchase or other acquisition of an equity participation in, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person) (including any partnership or joint venture), (c) the entering

into of any guarantee of, or other contingent obligation with respect to, Indebtedness or (d) the purchase or other acquisition (in one transaction or a series of transactions) of (x) all or substantially all of the property and assets or business of another Person or (y) assets constituting a business unit, line of business or division of such Person; provided that, in the event that any Investment is made by the Borrower or any Subsidiary in any Person through substantially concurrent interim transfers of any amount through one or more other Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for purposes of Section 11.5.

"Junior DIP Facility" has the meaning assigned to such term in the recitals to this Agreement.

"Land" shall have the meaning provided in Section 2.18.

"Leases" shall have the meaning provided in Section 2.18.

"Lender" shall have the meaning provided in the preamble to this Agreement.

"Lender-Related Person" shall have the meaning provided in Section 14.5(b).

"Liabilities" shall mean any losses, claims (including intraparty claims), obligations, penalties, actions, demands, damages, judgments, or liabilities of any kind.

"LIBOR Loan" shall mean any Loan bearing interest at a rate determined by reference to the LIBOR Rate (other than an ABR Loan bearing interest by reference to the LIBOR Rate by virtue of clause (c) of the definition of ABR).

"LIBOR Rate" shall mean, with respect to any LIBOR Loan for any Interest Period, the LIBOR Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the LIBOR Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period") then the LIBOR Rate shall be the Interpolated Rate.

"LIBOR Screen Rate" shall mean, for any day and time, with respect to any LIBOR Loan for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars) for a period equal in length to such Interest Period as displayed on such day and time on the applicable Bloomberg screen page that displays such rate (or, in the event such rate does not appear on such Bloomberg page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion), provided, that in the event the rates referenced above are not available, the LIBOR Screen Rate shall mean the rate per annum (rounded to the nearest 1/100 of 1.00%) equal to the average of the offered quotation rates to three (3) major financial institutions reasonably satisfactory to the Administrative Agent in the London interbank market for deposits (for delivery on the first day of the relevant period) in Dollars of amounts in same day funds comparable to the principal amount of the applicable Loans for which the LIBOR Screen Rate is then being determined with maturities comparable to such period as of approximately 11:00 a.m. (London, England time) two (2) Business Days prior to the commencement of such Interest Period; provided, further that if the LIBOR Screen Rate shall be less than 1.00%, such rate shall be deemed to 1.00% for the purposes of this Agreement.

"Lien" shall mean any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including (a) the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement or a financing lease, consignment or

bailment for security purposes or (b) Production Payments and the like payable out of Oil and Gas Properties; provided that in no event shall an operating lease be deemed to be a Lien.

"Liquidity" shall mean, as of any date of determination, the sum of (a) the Total Commitments (as defined in the Senior DIP Credit Agreement) at such time minus the Total Credit Exposure (as defined in the Senior DIP Credit Agreement) at such time and (b) the aggregate amount of unrestricted cash and cash equivalents of the Borrower and its Subsidiaries as set forth on the most recent consolidated balance sheet of the Borrower and its Subsidiaries (it being understood that (i) cash or cash equivalents subject to a control agreement in favor of Persons other than the Senior DIP Agent for the benefit of the "Secured Parties" under and as defined in the Senior DIP Credit Agreement or the Administrative Agent for the benefit of the Secured Parties shall be deemed "restricted" (except calculating the Consolidated Cash Balance for purposes of Section 5.2(d), in which case such cash or cash equivalents shall be deemed not "restricted") and (ii) cash or cash equivalents upon which a Lien in favor of the Senior DIP Agent for the benefit of the "Secured Parties" under and as defined in the Senior DIP Credit Agreement (excluding cash that is cash collateralizing obligations in respect of letters of credit issued under the Senior DIP Facility) or the Administrative Agent for the benefit of the Secured Parties has been granted shall be deemed not "restricted") (the amount in this clause (b), the "Consolidated Cash Balance").

"Loan" shall mean any extension of credit by a Lender to the Borrower and shall include, for the avoidance of doubt, the Term Loan.

"Majority Lenders" shall mean, at any date, Lenders having or holding Loans and unused Commitments representing more than 50% of the sum of all outstanding Loans and unused Commitments at such date.

"Material Adverse Effect" shall mean a circumstance or condition which would reasonably be expected to have a material adverse effect on (a) the business, assets, operations, properties or financial condition of the Borrower and the other Credit Parties, taken as a whole, (b) the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their payment obligations under this Agreement or any of the other Credit Documents or (c) the rights and remedies of the Administrative Agent and the Lenders under this Agreement or under any of the other Credit Documents.

"Maturity Date" shall mean January 15, 2021.

"Milestones" shall have the meaning provided in Section 10.15.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"Mortgage" shall mean any mortgage or a deed of trust, deed to secure debt, trust deed, assignment of as-extracted collateral, fixture filing or other security document entered into by the owner of a Mortgaged Property and (a) JPMorgan Chase Bank, N.A., as administrative agent under the Prepetition RBL Credit Agreement and (b) The Bank of New York Mellon Trust Company, N.A., as collateral agent for the benefit of the secured parties under the Prepetition FLMO Credit Agreement and which, pursuant to the DIP Order, establishes superpriority Liens in favor of the Administrative Agent for the benefit of the Secured Parties hereunder.

"Mortgaged Property" shall mean the real property and improvements thereto that is encumbered (or required to be encumbered) by the Interim Order (or, if applicable, the Final Order) or described in one or more duly executed, delivered and filed Mortgages evidencing a Lien securing the Prepetition RBL Obligations and the Prepetition FLMO Obligations.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA and is or was within any of the last preceding six years contributed to by the Borrower or an ERISA Affiliate.

"Net Cash Proceeds" shall mean (a) with respect to any Disposition, the cash proceeds (including cash proceeds subsequently received (as and when received) in respect of noncash consideration initially received), net of, in respect of the Debtors (i) selling expenses (including reasonable broker's fees or commissions, legal, accounting and investment banking fees and expenses, title insurance premiums, survey costs, transfer and similar taxes and the Borrower's good faith estimate of income taxes paid or payable in connection with such sale) approved by the Bankruptcy Court, if such approval is necessary pursuant to the Bankruptcy Code, (ii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Disposition (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds), (iii) amounts paid in respect of the termination of Hedge Agreements in respect of notional volumes or amounts corresponding to the property subject of such Disposition or any Indebtedness being repaid under clause (iv) and (iv) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness permitted hereunder that is secured by a Lien permitted hereunder (other than any Lien pursuant to a Security Document) on the asset disposed of in such Disposition and required to be repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such asset); and (b) with respect to any issuance or incurrence of Indebtedness, the cash proceeds thereof, net of all taxes and attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, commissions and brokerage, consultant and other customary fees and charges actually incurred by the Debtors in connection with such issuance.

"Non-Debtor Subsidiaries" shall mean each Subsidiary set forth on Schedule 1.1(c).

"Non-U.S. Lender" shall mean any Lender that is not a "United States person" as defined by Section 7701(a)(30) of the Code.

"Notice of Borrowing" shall mean a request of the Borrower in accordance with the terms of Section 2.3(a) and substantially in the form of Exhibit B or such other form as shall be approved by the Administrative Agent (acting reasonably).

"Notice of Conversion or Continuation" shall have the meaning provided in Section 2.6(a).

"NYFRB" shall mean the Federal Reserve Bank of New York.

"NYFRB Rate" shall mean, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" shall mean the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligations" shall mean all advances to, and debts, liabilities, obligations, covenants and duties of, any Credit Party arising under any Credit Document or otherwise with respect to any Loan, in each case, entered into with the Borrower or any of its Subsidiaries, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof in any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such

proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Subsidiaries to the extent they have obligations under the Credit Documents) include the obligation (including Guarantee Obligations) to pay principal, interest, the Exit Premium (subject to the terms of the DIP Order), charges, expenses, fees, attorney costs, indemnities and other amounts payable by any Credit Party under any Credit Document.

"Oil and Gas Properties" shall mean (a) Hydrocarbon Interests, (b) the properties now or hereafter pooled or unitized with Hydrocarbon Interests, (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests, (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests, (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests, (f) all tenements, hereditaments, appurtenances and properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests and (g) all properties, rights, titles, interests and estates described or referred to above, including any and all property, real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or property (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, gas processing plants and pipeline systems, power and cogeneration facilities, steam flood facilities and any related infrastructure to any thereof, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

"Other Taxes" shall mean any and all present or future stamp, registration, documentary, intangible, recording, filing or any other excise, property or similar taxes (including interest, fines, penalties, additions to tax and related, reasonable, out-of-pocket expenses with regard thereto) arising from any payment made hereunder or made under any other Credit Document or from the execution or delivery of, registration or enforcement of, consummation or administration of, or otherwise with respect to, this Agreement or any other Credit Document; provided that such term shall not include any of the foregoing Taxes (i) that result from an assignment, grant of a participation pursuant to Section 14.6(c) or transfer or assignment to or designation of a new lending office or other office for receiving payments under any Credit Document ("Assignment Taxes") to the extent such Assignment Taxes are imposed as a result of a connection between the assignor/participating Lender and/or the assignee/Participant and the taxing jurisdiction (other than a connection arising solely from any Credit Documents or any transactions contemplated thereunder), except to the extent that any such action described in this proviso is requested or required by the Borrower, or (ii) Excluded Taxes.

"Overnight Rate" shall mean, for any day, the rate comprised of both overnight federal funds and overnight eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the Federal Reserve Bank of New York's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Participant" shall have the meaning provided in Section 14.6(c)(i).

"Participant Register" shall have the meaning provided in Section 14.6(c)(ii).

"Patriot Act" shall have the meaning provided in Section 14.19.

"Payment in Full" shall mean the termination of the Total Commitment and the payment in full in cash of the Loans, together with all interest, fees and all other Obligations incurred hereunder (other than contingent indemnification obligations not then due and payable).

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Permitted Investments" shall mean:

(a) securities issued or unconditionally guaranteed by the United States government or any agency or instrumentality thereof, in each case having maturities and/or reset dates of not more than 24 months from the date of acquisition thereof;

(b) securities issued by any state, territory or commonwealth of the United States of America or any political subdivision of any such state, territory or commonwealth or any public instrumentality thereof or any political subdivision of any such state, territory or commonwealth or any public instrumentality thereof having maturities of not more than 24 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from another nationally recognized rating service);

(c) commercial paper maturing no more than 12 months after the date of creation thereof and, at the time of acquisition, having a rating of at least A-2 or P-2 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(d) time deposits with, or domestic and LIBOR certificates of deposit or bankers' acceptances maturing no more than one year after the date of acquisition thereof issued by any Lender or any other bank having combined capital and surplus of not less than $500,000,000 in the case of domestic banks and $100,000,000 (or the Dollar equivalent thereof) in the case of foreign banks;

(e) repurchase agreements with a term of not more than 90 days for underlying securities of the type described in clauses (a), (b) and (d) above entered into with any bank meeting the qualifications specified in clause (d) above or securities dealers of recognized national standing;

(f) marketable short-term money market and similar funds (i) either having assets in excess of $500,000,000 or (ii) having a rating of at least A-2 or P-2 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(g) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (f) above;

(h) investments in an aggregate amount not to exceed $100,000,000 in corporate debt securities having a rating of either A from S&P or A2 from Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service); and

(i) in the case of Investments by any Foreign Subsidiary or Investments made in a country outside the United States of America, other customarily utilized high-quality Investments in the country where such Foreign Subsidiary is located or in which such Investment is made.

"Permitted Liens" shall mean:

(a) Liens for taxes, assessments or governmental charges or claims not yet overdue for a period of more than 30 days or that are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established to the extent required by and in accordance with GAAP, or for property taxes on property that the Borrower or one of its Subsidiaries has determined to abandon if the sole recourse for such tax, assessment, charge or claim is to such property;

(b) Liens in respect of property or assets of the Borrower or any of the Subsidiaries imposed by law, such as landlords', vendors', operators', suppliers', carriers', warehousemen's, repairmen's, construction contractors', workers' materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business or incident to the exploration, development, operation or maintenance of Oil and Gas Properties, in each case so long as such Liens arise in the ordinary course of business and do not individually or in the aggregate have a Material Adverse Effect;

(c) Liens incurred, or pledges or deposits made in connection with workers' compensation, unemployment insurance and other types of social security, old age pension, public liability obligations or similar legislation and deposits securing liabilities to insurance carriers under insurance or self-insurance arrangements in respect of such obligations, or to secure the performance of tenders, statutory and regulatory obligations, plugging and abandonment obligations, surety, stay, customs and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (including letters of credit issued in lieu of such bonds or to support the issuance thereof) incurred in the ordinary course of business or otherwise constituting Investments permitted by Section 11.5;

(d) ground leases, subleases, licenses or sublicenses in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(e) easements, rights-of-way, licenses, restrictions (including zoning restrictions), title defects, exceptions, reservations, deficiencies or irregularities in title, encroachments, protrusions, servitudes, rights, eminent domain or condemnation rights, permits, conditions and covenants and other similar charges or encumbrances (including in any rights of way or other property of the Borrower or its Subsidiaries for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil or other minerals or timber, and other like purposes, or for joint or common use of real estate, rights of way, facilities and equipment) not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole and, to the extent reasonably agreed by the Majority Lenders, any exception on the title reports issued in connection with any Oil and Gas Property;

(f) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under any lease, sublease, license or sublicense permitted by this Agreement;

(g) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(h) Liens on goods or inventory the purchase, shipment or storage price of which is financed by a documentary letter of credit or bankers' acceptance issued for the account of the Borrower or any of its Subsidiaries; provided that such Lien secures only the obligations of the Borrower or such Subsidiaries in respect of such letter of credit or bankers' acceptance to the extent permitted under Section 11.1;

(i) leases, licenses, subleases or sublicenses granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(j) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings made in respect of operating leases entered into by the Borrower or any of its Subsidiaries;

(k) Liens created in the ordinary course of business in favor of banks and other financial institutions over credit balances of any bank accounts of the Borrower and the Subsidiaries held at such banks or financial institutions, as the case may be, to facilitate the operation of cash pooling and/or interest set-off arrangements in respect of such bank accounts in the ordinary course of business;

(l) Liens which arise in the ordinary course of business under operating agreements (including preferential purchase rights, consents to assignment and other restraints on alienation), joint operating agreements, joint venture agreements in effect as of the Petition Date, oil and gas partnership agreements, oil and gas leases, farm-out agreements, farm-in agreements, division orders, contracts for the sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty and royalty agreements, reversionary interests, marketing agreements, processing agreements, net profits agreements, development agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements, and other agreements that are usual and customary in the oil and gas business and are for claims which are not delinquent or that are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established to the extent required by and in accordance with GAAP; and to the extent the same constitute Liens, Liens on Oil and Gas Properties that arise pursuant to usual and customary dedications of Hydrocarbon production from specified Oil and Gas Properties in favor of a joint venture providing midstream services in connection with the obligation to deliver such Hydrocarbons, if and when produced, for transportation or processing by such joint venture, in each case so long as such Liens do not secure any monetary obligation; provided that any such Lien referred to in this clause does not in the aggregate have a Material Adverse Effect;

(m) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries, taken as a whole; and

(n) Liens arising under statutory provisions of applicable law with respect to production purchased from others.

The parties acknowledge and agree that no intention to subordinate the priority afforded the Liens granted in favor of the Administrative Agent, for the benefit of the Secured Parties, under the Security Documents is to be hereby implied or expressed by the permitted existence of such Permitted Liens.

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

"Petition Date" shall have the meaning provided in the recitals hereto.

"Petroleum Industry Standards" shall mean the Definitions for Oil and Gas Reserves promulgated by the Society of Petroleum Engineers (or any generally recognized successor) as in effect at the time in question.

"Plan" shall mean any single-employer plan, as defined in Section 4001 of ERISA and subject to Title IV of ERISA, that is or was within any of the preceding six years maintained or contributed to (or to which there is or was an obligation to contribute or to make payments to) by the Borrower or an ERISA Affiliate.

"Plan of Reorganization" shall mean a plan of reorganization that (a) provides for Payment in Full in cash upon the effective date of such plan, (b) provides that the effective date of such plan shall occur by a date that is within the applicable Milestones and (c) contains customary releases and other exculpatory provisions for the Administrative Agent and the Lenders.

"Pledge Agreement" shall mean that certain Pledge Agreement, dated as of the date hereof, among the Borrower, the other pledgors party thereto and the Administrative Agent, for the benefit of the Secured Parties.

"Premises" shall have the meaning provided in Section 2.18.

"Prepetition Debt Documents" shall mean the "Prepetition Debt Documents" as defined in the DIP Order, as such documents are in effect on the Petition Date.

"Prepetition FLMO Credit Agreement" shall have the meaning provided in the recitals hereto.

"Prepetition FLMO Obligations" shall mean the "Obligations" as defined in the Prepetition FLMO Credit Agreement.

"Prepetition Indebtedness" shall mean the Indebtedness set forth on Schedule 11.1.

"Prepetition RBL Credit Agreement" shall mean that certain Credit Agreement, dated as of dated as of September 24, 2014, among the Company, the financial institutions party thereto as lenders and JPMorgan Chase Bank, N.A., as administrative agent, as administrative agent, as amended, restated, supplement or otherwise modified from time to time prior to the Petition Date.

"Prepetition RBL Obligations" shall mean the obligations described under clause (a)(i) of the definition of "Obligations" under the Prepetition RBL Credit Agreement and incurred under the Prepetition RBL Credit Agreement.

"Prime Rate" shall mean the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Proceeding" shall mean any claim, litigation, investigation, action, suit, arbitration or administrative, judicial or regulatory action or proceeding in any jurisdiction.

"Production Payment" shall mean a production payment obligation (whether volumetric or dollar denominated) of the Borrower or any of its Subsidiaries which is payable from a specified share of proceeds received from production from specified Oil and Gas Properties, together with all undertakings and obligations in connection therewith.

"Proved Developed Producing Reserves" shall mean Proved Reserves that, in accordance with Petroleum Industry Standards, are classified as "Developed Producing Reserves."

"Proved Developed Reserves" shall mean Proved Reserves that, in accordance with Petroleum Industry Standards, are classified as one of the following: (a) "Developed Producing Reserves" or (b) "Developed Non-Producing Reserves"; and Proved Developed Reserves in the aggregate comprise Proved Reserves that are "Developed Producing Reserves" and "Developed Non-Producing Reserves".

"Proved Reserves" shall mean oil and gas reserves that, in accordance with Petroleum Industry Standards, are classified as both "Proved Reserves" and one of the following: (a) "Developed Producing Reserves", (b) "Developed Non-Producing Reserves" or (c) "Undeveloped Reserves"; and "Proved Reserves" in the aggregate comprise Proved Reserves that are "Developed Producing Reserves", "Developed Non-Producing Reserves" and "Undeveloped Reserves".

"Proved Undeveloped Reserves" shall mean Proved Reserves that, in accordance with Petroleum Industry Standards, are classified as "Undeveloped Reserves".

"PTE" shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" shall have the meaning provided in Section 13.17(c).

"RBL Adequate Protection Claims" has the meaning provided in the applicable DIP Order.

"RBL Adequate Protection Liens" has the meaning provided in the applicable DIP Order.

"Register" shall have the meaning provided in Section 14.6(b)(iv).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof.

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the partners, members, directors, officers, employees, agents, representatives, attorneys-in-fact, attorneys, advisors, and members of such Person or such Person's Affiliates and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Relevant Governmental Body" shall mean the Board and/or the NYFRB, or a committee officially endorsed or convened by the Board and/or the NYFRB or, in each case, any successor thereto.

"Reportable Event" shall mean an event described in Section 4043 of ERISA and the regulations thereunder, other than any event as to which the 30-day notice period has been waived.

"Requirement of Law" shall mean, as to any Person, any law, treaty, rule, regulation statute, order, ordinance, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"Reserve Report" shall mean (a) initially, the reserve report delivered pursuant to Section 7.17 on the Closing Date and (b) thereafter, any report, in form and substance (i) prior to the Discharge of Senior DIP Obligations, reasonably satisfactory to the Senior DIP Agent and (ii) following the Discharge of Senior DIP Obligations, reasonably satisfactory to the Majority Lenders, in each case setting forth, as of each January 1st, April 1st, July 1st or October 1st the Proved Reserves and the Proved Developed Reserves attributable to the Oil and Gas Properties of the Borrower and the Credit Parties, together with a projection of the rate of production and future net income, taxes, operating expenses and Capital Expenditures with respect thereto as of such date, based upon (A) prior to the Discharge of Senior DIP Obligations, the most recent Bank Price Deck that is provided to the Borrower by the Senior DIP Agent at least 14 days prior to such date that the Reserve Report is due pursuant to Section 10.13; provided that, in addition to the calculations based upon the most recent Bank Price Deck, such report shall include parallel calculations based upon the Strip Price; and (B) following the Discharge of Senior DIP Obligations, the Strip Price.

"Resolution Authority" shall mean an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Payments" shall have the meaning provided in Section 11.6.

"Restructuring Support Agreement" shall mean that certain Restructuring Support Agreement, dated as of July 15, 2020, by and among the Credit Parties, the lenders under the Prepetition FLMO Credit Agreement, the other creditors of the Company party thereto from time to time and ECR Corporate Holdings L.P. and the other funds, investment vehicles and/or accounts managed or advised by Ares Management LLC party thereto from time to time (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof).

"S&P" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"Sanctioned Country" shall mean, at any time, a country or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, including, but not limited to, the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons.

"Sanctions" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Secured Parties" shall mean, collectively, the Administrative Agent, each Lender and each agent, sub-agent or attorney-in-fact appointed by the Administrative Agent pursuant to ARTICLE XIII with respect to matters relating to the Credit Documents.

"Security Agreement" shall mean that certain Security Agreement, dated as of the date hereof, among the Borrower, the other grantors party thereto and the Administrative Agent, for the benefit of the Secured Parties.

"Security Documents" shall mean, collectively, (a) the DIP Order, (b) the Security Agreement, (c) the Pledge Agreement, (d) the Mortgages and (e) each other security agreement or other instrument or document executed and delivered in connection with, or as security for the payment or performance of the Obligations.

"Senior DIP Agent" shall mean JPMorgan Chase Bank, N.A., in its capacity as administrative agent and collateral agent under the Senior DIP Facility Documentation, or any successor administrative agent and collateral agent under the Senior DIP Facility Documentation.

"Senior DIP Credit Agreement" shall mean that certain senior secured debtor-in-possession revolving credit agreement, dated as of the date hereof, among the Borrower, the lenders party thereto and the Senior DIP Agent, as the same may be amended in accordance with the terms hereof and the Interim Order or Final Order (as applicable).

"Senior DIP Facility" has the meaning assigned to such term in the recitals to this Agreement.

"Senior DIP Facility Documentation" shall mean the Senior DIP Credit Agreement and all security agreements, guarantees, pledge agreements and other agreements or instruments executed in connection therewith.

"Senior DIP Liens" has the meaning provided in the applicable DIP Order.

"Senior Superpriority DIP Claims" has the meaning provided in the applicable DIP Order.

"SOFR" with respect to any day shall mean the secured overnight financing rate published for such day by the NYFRB, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York's Website.

"SOFR-Based Rate" shall mean SOFR, Compounded SOFR or Term SOFR.

"Solicitation Materials" shall mean all solicitation materials in respect of the Plan of Reorganization.

"Statutory Reserve Rate" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal

established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBOR Rate, for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D). Such reserve percentage shall include those imposed pursuant to Regulation D. LIBOR Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stock" shall mean any and all shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

"Stock Equivalents" shall mean all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable.

"Strip Price" shall mean (x) for purposes of determining the value of Oil and Gas Properties constituting Proved Reserves in a Reserve Report prepared by the Borrower's petroleum engineers, the price estimated by applying the ICE(Brent)/NYMEX (as applicable) published forward prices adjusted for relevant basis differentials (before any state or federal or other income tax) and (y) for purposes of determining the value of basis differential commodity Hedge Agreements, as estimated by the Borrower applying, if available, the relevant ICE(Brent)/NYMEX (as applicable) published forward basis differential or, if such ICE(Brent)/NYMEX (as applicable) forward basis differential is unavailable, in good faith based on historical basis differentials, but accounting for reasonably expected future conditions (before any state or federal or other income tax). For any months beyond the term included in published ICE(Brent)/NYMEX (as applicable) forward pricing, the Strip Price used will be equal to the last published contract escalated at 2.0% per annum.

"Subsidiary" of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at such time beneficially owned by such Person directly or indirectly and (b) any limited liability company, partnership, association, joint venture or other entity of which such Person directly or indirectly beneficially owns more than 50% of the Stock at such time; provided, that any Development Joint Venture that is a Person shall not be deemed to be a Subsidiary of the Borrower or any of its Subsidiaries. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Superpriority Claim" shall mean a superpriority administrative expense claim pursuant to section 364(c)(1) of the Bankruptcy Code against a Debtor in any of the Chapter 11 Cases having priority over any or all administrative expense claims, adequate protection and other diminution claims, priority and other unsecured claims, and all other claims against a Debtor or its estate, including claims of the kind specified in, or otherwise arising or ordered under, any sections of the Bankruptcy Code (including, without limitation, sections 105(a), 326, 328, 330, 331, 503(a), 503(b), 506(c), 507, 546, 552(b), 726, 1113 and/or 1114 thereof), whether or not such claim or expenses may become secured by a judgment Lien or other non-consensual Lien, levy or attachment.

"Taxes" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings or other similar charges imposed by any Governmental Authority whether

computed on a separate, consolidated, unitary, combined or other basis and any interest, fines, penalties or additions to tax with respect to the foregoing.

"Term Loan" shall have the meaning provided in Section 2.1(a).

"Term SOFR" shall mean the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Termination Date" shall mean the earliest to occur of (a) the Maturity Date, (b) the sale of all or substantially all of the Credit Parties' assets, (c) the effective date of the Plan of Reorganization or any other plan of reorganization in respect of the Debtors and (d) the date that is forty (40) days after the Petition Date if the Final Order has not been entered by the Bankruptcy Court by such date.

"Testing Period" shall have the meaning provided in Section 11.11(a).

"Total Commitment" shall mean, as of any date of determination, the sum of the Commitments of the Lenders. The Total Commitment as of the Closing Date is $650,000,000.

"Transaction Expenses" shall mean any fees or expenses incurred or paid by the Borrower or any of its Subsidiaries or any of their Affiliates in connection with the Transactions, this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby.

"Transactions" shall mean, collectively, the execution, delivery and performance of this Agreement and the other Credit Documents, the borrowing of Loans, the use of the proceeds thereof, the payment of Transaction Expenses on the Closing Date and the other transactions contemplated by this Agreement and the Credit Documents.

"Transferee" shall have the meaning provided in Section 14.6(e).

"Trust Property" shall have the meaning provided in Section 2.18.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBOR Rate or the ABR.

"UK Financial Institutions" shall mean any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" shall mean the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than 1.00%, the Unadjusted Benchmark Replacement will be deemed to be 1.00% for the purposes of this Agreement.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the Accumulated Benefit Obligation (as defined under FASB Accounting Standards Codification 715 ("ASC 715")) under the

Plan as of the close of its most recent plan year, determined in accordance with ASC 715 as in effect on the Closing Date, exceeds the Fair Market Value of the assets allocable thereto.

"Uniform Commercial Code" shall mean the Uniform Commercial Code of the State of New York or of any other state the laws of which are required to be applied in connection with the perfection of security interests in any Collateral.

"Variance Report" shall mean a report in a form reasonably satisfactory to the Administrative Agent detailing any variance (whether plus or minus and expressed as a percentage) between (a) the "Total Operating Disbursements" made during the relevant Testing Period by the Debtors against the "Total Operating Disbursements" set forth in the Budget for the relevant Testing Period and (b) on a line-item basis, receipts and disbursements made during the relevant Testing Period by the Debtors against the corresponding line item set forth in the Budget for the relevant Testing Period.

"Voting Stock" shall mean, with respect to any Person, such Person's Stock or Stock Equivalents having the right to vote for the election of directors of such Person under ordinary circumstances.

"Write-Down and Conversion Powers" shall mean, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "herein", "hereto", "hereof" and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears.

(d) The term "including" is by way of example and not limitation.

(e) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including".

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h) Any reference to any Person shall be constructed to include such Person's successors or assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all of the functions thereof.

(i) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(j) The word "will" shall be construed to have the same meaning as the word "shall".

(k) The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.3 Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, applied in a consistent manner; provided that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Majority Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

1.4 Rounding. Any financial ratios required to be maintained or complied with by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents) and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted by any Credit Document and (b) references to any Requirement of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Requirement of Law.

1.6 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York City (daylight or standard, as applicable).

1.7 Timing of Payment or Performance. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a

Business Day, the date of such payment (except as otherwise expressly set forth herein) or performance shall extend to the immediately succeeding Business Day.

1.8 Currency Equivalents Generally.

(a) For purposes of any determination under ARTICLE X, ARTICLE XI (other than Section 11.11) or ARTICLE XII or any determination under any other provision of this Agreement requiring the use of a current exchange rate, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the Exchange Rate then in effect on the date of such determination; provided that (x) for purposes of determining compliance with ARTICLE XI with respect to the amount of any Indebtedness, Investment, Disposition, Restricted Payment or payment under Section 11.7 in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness or Investment is incurred or Disposition, Restricted Payment or payment under Section 11.7 is made and (y) for the avoidance of doubt, the foregoing provisions of this Section 1.8 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness or Investment may be incurred or Disposition, Restricted Payment or payment under Section 11.7 may be made at any time under such Sections. For purposes of Section 11.11, amounts in currencies other than Dollars shall be translated into Dollars at the applicable exchange rates used in preparing the most recently delivered financial statements pursuant to Section 10.1(a) or (b).

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with the Borrower's consent (such consent not to be unreasonably withheld) to appropriately reflect a change in currency of any country and any relevant market conventions or practices relating to such change in currency.

1.9 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "LIBOR Loan").

1.10 Divisions. For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of Stock at such time.

1.11 Interest Rates; LIBOR Notification. The interest rate on LIBOR Loans is determined by reference to the LIBOR Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on LIBOR Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, Section 2.17(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.17(d), of any change to the reference rate upon which the interest rate

on LIBOR Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBOR Rate" or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (a) any such alternative, successor or replacement rate implemented pursuant to Section 2.17(b), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (b) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.17(c)), including whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBOR Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

ARTICLE II
AMOUNT AND TERMS OF CREDIT

2.1 Commitments.

(a) Subject to and upon the terms and conditions herein set forth, including without limitation, entry of the DIP Order, each Lender agrees, severally and not jointly, to make a term loan to the Borrower in a single Borrowing on the Closing Date (the "Term Loan") in an aggregate principal amount requested by the Borrower not to exceed such Lender's Commitment (and in no event shall any such Borrowing exceed the Total Commitment in the aggregate). Amounts borrowed under this Section 2.1 and paid or prepaid may not be reborrowed. Once funded, the Term Loan shall be a "Loan" for all purposes under this Agreement and the other Credit Documents. Loans may, at the option of the Borrower, be incurred and maintained as, and/or converted into, ABR Loans or LIBOR Loans,

(b) All Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Loans of the same Type.

(c) Each Lender may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that (1) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan and (2) in exercising such option, such Lender shall use its reasonable efforts to minimize any increased costs to the Borrower resulting therefrom (which obligation of the Lender shall not require it to take, or refrain from taking, actions that it determines would result in increased costs for which it will not be compensated hereunder or that it determines would be otherwise disadvantageous to it and in the event of such request for costs for which compensation is provided under this Agreement, the provisions of Section 2.10 shall apply).

2.2 Amount of the Closing Date Borrowing. The aggregate principal amount of the Borrowing on the Closing Date shall be equal to $650,000,000.

2.3 Notice of Borrowing. Whenever the Borrower desires to incur Loans, the Borrower shall give the Administrative Agent at the Administrative Agent's Office, (i) with respect to the Borrowing of the Term Loan on the Closing Date, prior to 1:00 p.m. (New York City time) at least one Business Day's prior written notice of the Borrowing of the Term Loan if such Loans are to be initially LIBOR Loans and (ii) with respect to each other Borrowing of Loans (if any), (x) prior to 1:00 p.m. (New York City time) at least three Business Days' prior written notice of each Borrowing of Loans if such Loans are to be initially LIBOR Loans and (y) written notice prior to 1:00 p.m. (New York City time) one Business Day prior to the date of each Borrowing of Loans that are to be ABR Loans. Such notice (a "Notice of Borrowing") shall specify (A) the aggregate principal amount of the Loans to be made pursuant to such Borrowing, (B) the date of the Borrowing (which shall be a Business Day), (C) whether the respective Borrowing shall consist of ABR Loans and/or LIBOR Loans, and (D) the Borrower's wire instructions. The Administrative Agent shall

promptly give each Lender written notice of each proposed Borrowing, of such Lender's Commitment Percentage thereof and of the other matters covered by the related Notice of Borrowing.

2.4 Disbursement of Funds.

(a) No later than 3:00 p.m. (New York City time) on the date specified in each Notice of Borrowing, each Lender will make available its *pro rata* portion of each Borrowing requested to be made on such date in the manner provided below.

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing in immediately available funds to the Administrative Agent at the Administrative Agent's Office in Dollars, and upon receipt of all requested funds, the Administrative Agent will make available to the Borrower, by wiring to an account as designated by the Borrower in the Notice of Borrowing to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent in Dollars. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt.

(a) Subject to the terms of the DIP Order, the Borrower hereby promises to pay to the Administrative Agent, for the benefit of the applicable Lenders, on the Termination Date, the then outstanding principal amount of all Loans.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office from time to time, including the amounts of principal and interest payable and paid to such lending office from time to time under this Agreement.

(c) [Reserved].

(d) The entries made in the Register and accounts and subaccounts maintained pursuant to clause (b) of this Section 2.5 shall, to the extent permitted by applicable Requirements of Law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement. In the event of any inconsistency between the entries in the accounts maintained pursuant to clause (b) of this Section 2.5 and the Register maintained by the Administrative Agent, the Register shall control.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note substantially in the form of Exhibit F hereto. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 14.6) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

2.6 Conversions and Continuations.

(a) Subject to the penultimate sentence of this clause (a), (i) the Borrower shall have the option on any Business Day to convert all or a portion equal to at least $1,000,000 (and in multiples of $100,000 in excess thereof) of the outstanding principal amount of Loans of one Type into a Borrowing or Borrowings of another Type and (ii) the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans as LIBOR Loans for an additional Interest Period; provided that (A) no partial conversion of LIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans made pursuant to a single Borrowing to less than $1,000,000, (B) ABR Loans may not be converted into LIBOR Loans if an Event of Default is in existence on the date of the conversion and the Majority Lenders have determined in their sole discretion not to permit such conversion, (C) LIBOR Loans may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Majority Lenders have determined in their sole discretion not to permit such continuation, (D) [reserved] and (E) at no time shall there be outstanding more than ten Borrowings of LIBOR Loans under this Agreement. Each such conversion or continuation shall be effected by the Borrower by giving written notice in the form of Exhibit H to the Administrative Agent at the Administrative Agent's Office prior to 1:00 p.m. (New York City time) at least (1) three (3) Business Days prior to the date of conversion or continuation, in the case of a continuation of or conversion to LIBOR Loans, or (2) one (1) Business Day prior to the date of conversion, in the case of a conversion into ABR Loans (each, a "Notice of Conversion or Continuation") specifying the Loans to be so converted or continued and the Type of Loans to be converted into or continued. The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Loans.

(b) If any Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans and the Majority Lenders have determined in their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a) above, the Borrower shall be deemed to have elected to convert such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

(c) Notwithstanding anything to the contrary herein, but subject to the provisos set forth in Section 2.6(a)(A), (C) and (E), the Borrower may deliver a Notice of Conversion or Continuation pursuant to which the Borrower elects to irrevocably and automatically continue the outstanding principal amount of any Loans subject to an interest rate Hedge Agreement as LIBOR Loans for each Interest Period until the expiration of the term of such applicable Hedge Agreement; provided that any Notice of Conversion or Continuation delivered pursuant to this Section 2.6(c) shall include a schedule attaching the relevant interest rate Hedge Agreement or related trade confirmation.

2.7 Pro Rata Borrowings. Each Borrowing of Loans under this Agreement shall be made by the Lenders *pro rata* on the basis of their then applicable Commitment Percentages. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender severally but not jointly shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation under any Credit Document.

2.8 Interest.

(a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin plus the ABR, in each case, in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin plus the Adjusted LIBOR Rate, in each case, in effect from time to time.

(c) Upon the occurrence and during the continuance of an Event of Default, the Loans and all interest payable thereon shall bear interest (after as well as before judgment) at a rate per annum that is (the "Default Rate") the rate that would otherwise be applicable thereto plus 2% or, in the event there is no applicable rate, to the extent permitted by applicable Requirements of Law, the rate described in Section 2.8(a) plus 2%.

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable in Dollars; provided that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each ABR Loan, monthly in arrears on the last Business Day of each calendar month, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto, (iii) in respect of each Loan, (A) on any prepayment (on the amount prepaid), (B) at maturity (whether by acceleration or otherwise) and (C) after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of LIBOR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing

of LIBOR Loans in accordance with Section 2.6(a), the Borrower shall give the Administrative Agent written notice of the Interest Period applicable to such Borrowing, which Interest Period shall be a one-month period.

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that, if any Interest Period in respect of a LIBOR Loan would otherwise expire on a day that is not a Business Day, but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan if such Interest Period would extend beyond the Maturity Date.

2.10 Increased Costs, Illegality, Etc.

(a) In the event that any Lender, shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) that, due to a Change in Law occurring at any time or after the Closing Date, which Change in Law shall (A) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBOR Rate), (B) subject any Lender to any Tax with respect to any Credit Document or any LIBOR Loan made by it (other than (i) Taxes indemnifiable under Section 5.4, or (ii) Excluded Taxes), or (C) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or LIBOR Loans made by such Lender, which results in the cost to such Lender of making, converting into, continuing or maintaining LIBOR Loans increasing by an amount which such Lender reasonably deems material or the amounts received or receivable by such Lender hereunder with respect to the foregoing shall be reduced; or

(ii) at any time, that the making or continuance of any LIBOR Loan has become unlawful as a result of compliance by such Lender in good faith with any Requirement of Law (or would conflict with any such Requirement of Law not having the force of law even though the failure to comply therewith would not be unlawful);

then, and in any such event, such Lender shall within a reasonable time thereafter give written notice to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, the

Borrower shall pay to such Lender, promptly (but no later than fifteen days) after receipt of written demand therefor such additional amounts as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto) and (y) in the case of clause (ii) above, the Borrower shall take one of the actions specified in Section 2.10(b), as promptly as possible and, in any event, within the time period required by applicable Requirements of Law.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(i) or (ii), the Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(ii) shall) either (i) if the affected LIBOR Loan is then being made pursuant to a Borrowing, cancel such Borrowing by giving the Administrative Agent written notice thereof on the same date that the Borrower was notified by a Lender pursuant to Section 2.10(a)(i) or (ii) or (ii) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Lender to convert each such LIBOR Loan into an ABR Loan; provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Closing Date, any Change in Law relating to capital adequacy or liquidity requirements of any Lender or compliance by any Lender or its parent with any Change in Law relating to capital adequacy or liquidity requirements occurring after the Closing Date, has or would have the effect of reducing the rate of return on such Lender's or its parent's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent could have achieved but for such Change in Law (taking into consideration such Lender's or its parent's policies with respect to capital adequacy or liquidity requirements), then from time to time, promptly (but in any event no later than fifteen days) after written demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any applicable Requirement of Law as in effect on the Closing Date (except as otherwise set forth in the definition of Change in Law). Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) upon receipt of such notice.

2.11 Compensation. If (a) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a result of a payment or conversion pursuant to Sections 2.5, 2.6, 2.10, 5.1, 5.2 or 14.7, as a result of acceleration of the maturity of the Loans pursuant to ARTICLE XII or for any other reason, (b) any Borrowing of LIBOR Loans is not made on the date specified in a Notice of Borrowing, (c) any ABR Loan is not converted into a LIBOR Loan on the date specified in a Notice of Conversion or Continuation, (d) any LIBOR Loan is not continued as a LIBOR Loan on the date specified in a Notice of Conversion or Continuation or (e) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Section 5.1 or 5.2, the Borrower shall after the Borrower's receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount and shall be conclusive and binding in the absence of manifest error), pay to the Administrative Agent (within fifteen days after such request) for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment,

failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan.

2.12 Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10, 2.11 or 5.4 is given by any Lender more than 180 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Section 2.10, 2.11 or 5.4, as the case may be, for any such amounts incurred or accruing prior to the 181st day prior to the giving of such notice to the Borrower; provided that if the circumstance giving rise to such claim is retroactive, then such 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

2.13 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(i), 2.10(a)(ii), 2.10(c) or 5.4 with respect to such Lender, it will, if requested by the Borrower use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event; provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.13 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Section 2.10 or 5.4.

2.14 [Reserved].

2.15 [Reserved].

2.16 [Reserved].

2.17 Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d) and (e) of this Section 2.17, if prior to the commencement of any Interest Period for a Borrowing of LIBOR Loans:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBOR Rate or the LIBOR Rate, as applicable (including because the LIBOR Screen Rate is not available or published on a current basis), for such Interest Period; or

(ii) the Administrative Agent is advised by the Majority Lenders that the Adjusted LIBOR Rate or the LIBOR Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the applicable Lenders by e-mail or other electronic means as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Notice of Conversion or Continuation that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Borrowing of LIBOR Loans shall be ineffective and (B) if any Notice of Borrowing requests a Borrowing of LIBOR Loans, such Borrowing shall be made as a Borrowing of ABR Loans; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

(b) Notwithstanding anything to the contrary herein or in any other Credit Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the LIBOR Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower, so long as the Administrative Agent has not received, by such time, written notice of objection to such proposed amendment from Lenders comprising the Majority Lenders; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Majority Lenders have delivered to the Administrative Agent written notice that such Majority Lenders accept such amendment. No replacement of LIBOR Rate with a Benchmark Replacement will occur prior to the applicable Benchmark Transition Start Date.

(c) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.17.

(e) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (i) any Notice of Conversion or Continuation that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Borrowing of LIBOR Loans shall be ineffective and (ii) if any Notice of Borrowing requests a Borrowing of LIBOR Loans, such Borrowing shall be made as a Borrowing of ABR Loans.

2.18 Trust Property. Further to 10.21 and the Interim Order (and, when entered, the Final Order), to secure the full and timely payment and performance of the Obligations, each Credit Party hereby and unconditionally grants, bargains, assigns, mortgages, sells, transfers and conveys, to the Administrative Agent, for the ratable benefit of the Secured Parties, the Trust Property (as defined below), to have and to hold the Trust Property, in trust for the Administrative Agent, for the ratable benefit of the Secured Parties, with power of sale (to the fullest extent permitted by applicable law) (but excluding from the foregoing grant, Excluded Property) and each party does hereby bind itself, its successors and assigns to warrant and forever defend the title to the Trust Property unto the Administrative Agent, for the ratable benefit of the Secured Parties. As used in this Section 2.18, the "Trust Property" means all right, title and interest of each Credit Party, whether now owned or hereafter acquired, in and to: (a) fee interests and/or leasehold interests in land (the "Land"), together with all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing and all interests now or in the future arising in respect of, benefiting or otherwise relating to the Land, including, without limitation, easements, rights-of-

way and development rights, including all right, title and interest now owned or hereafter acquired by such Credit Party in and to any land lying within the right of way of any street, open or proposed, adjoining the Land, and any and all sidewalks, alleys, driveways, and strips and gores of land adjacent to or used in connection with the Land; (b) all improvements now owned or hereafter acquired by such Credit Party, now or at any time situated, placed or constructed upon the Land (the "Improvements"); (c) all of such Credit Party's right, title and interest in and to fixtures, machinery, appliances, goods, building or other materials, equipment, including all machinery, equipment, engines, appliances and fixtures for generating or distributing air, water, heat, electricity, light, sewage, fuel or refrigeration, or for ventilating or sanitary purposes, the exclusion of vermin or insects, or the removal of dust, refuse or garbage, and all extensions, additions, accessions, improvements, betterments, renewals, substitutions, and, replacements to any of the foregoing, which, to the fullest extent permitted by law, shall be conclusively deemed fixtures and improvements and a part of the real property hereby encumbered (the "Fixtures") (the real property, Improvements and Fixtures are collectively referred to as the "Premises"); (d) all of such Credit Party's right, title and interest in and to leases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant to any Person a possessory interest in, or the right to use, all or any part of the Trust Property, together with all related security and other deposits (the "Leases"); (e) all of such Credit Party's right, title and interest in and to the rents, revenues, royalties, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Trust Property; (f) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof; (g) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by such Credit Party; and (h) all awards, damages, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Premises.

2.19 Priority of Liens. The relative priorities of the Liens described in Section 10.21 with respect to the Collateral shall be as set forth in the Interim Order (and, when entered, the Final Order). All of the Liens described in Section 10.21 shall be effective and perfected upon entry of the Interim Order (and, when entered, the Final Order) without the necessity of the execution or recordation of filings by any Credit Party of security agreements, mortgages, control agreements, pledge agreements, financing statements or other similar documents, or the possession or control by the Administrative Agent of, or over, any Collateral, as set forth in the Interim Order and, when entered, the Final Order.

ARTICLE III
[RESERVED]

ARTICLE IV
FEES; COMMITMENTS

4.1 Fees.

(a) The Borrower agrees to pay (i) to each Lender an upfront fee (the "Upfront Fee") in an amount equal to 1.00% of the principal amount of such Lender's aggregate Commitment funded on the Closing Date, which shall be payable in cash on the Closing Date and may be netted from the amount of the Term Loan funded by the Lenders on the Closing Date and (ii) in addition to the Upfront Fee, to the Fronting Lender a fronting fee in the amount agreed between the Fronting Lender and the Borrower prior to the Closing Date, which shall be payable in cash on the Closing Date and may be netted from the amount of the Term Loan funded by the Fronting Lender on the Closing Date. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(b) The Borrower agrees to pay to the Administrative Agent the administrative agent fees in the amounts and on the dates as set forth in the Administrative Agent Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(c) Subject to the terms and conditions of the DIP Order, the Borrower agrees to pay to each Lender the Exit Premium under and as defined in the DIP Order (the "Exit Premium"), which Exit Premium shall be deemed fully earned on the Closing Date and shall be payable on the date and in the manner set forth in the DIP Order. The interests in and rights to the Exit Premium of each Lender as of the Closing Date are set forth opposite such Lender's name on Schedule 4.1.

4.2 [Reserved].

4.3 Mandatory Termination or Reduction of Commitments. The Total Commitment shall terminate immediately following the making of the Term Loan on the Closing Date.

ARTICLE V
PAYMENTS

5.1 Voluntary Prepayments. Subject to the terms of the DIP Order, the Borrower shall have the right to prepay Loans, without premium or penalty, in whole or in part from time to time on the following terms and conditions:

(a) the Borrower shall give the Administrative Agent at the Administrative Agent's Office written notice of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) being prepaid, which notice shall be given by the Borrower no later than 1:00 p.m. (New York City time) (i) in the case of LIBOR Loans, three Business Days prior to and (ii) in the case of ABR Loans, one Business Day prior to, the date of such prepayment and the Administrative Agent shall promptly notify the Lenders thereof;

(b) each partial prepayment of (i) LIBOR Loans shall be in a minimum amount of $500,000 and in multiples of $100,000 in excess thereof, and (ii) any ABR Loans shall be in a minimum amount of $500,000 and in multiples of $100,000 in excess thereof; provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than $1,000,000 for such LIBOR Loans; and

(c) any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto shall be subject to compliance by the Borrower with the applicable provisions of Section 2.11.

Each such notice shall specify the date and amount of such prepayment and the Type of Loans to be prepaid.

5.2 Mandatory Prepayments. The Borrower shall use reasonable efforts to provide written notice to the Administrative Agent of its intent to make a mandatory prepayment hereunder and the amount of such mandatory prepayment no later than 1:00 p.m. (New York City time), one Business Day prior to the date of such mandatory prepayment.

(a) [Reserved].

(b) [Reserved].

(c) [Reserved].

(d) Application of Excess Cash. Subject to the terms of the DIP Order (including the priorities set forth therein), if, as of the end of any Business Day, the Consolidated Cash Balance exceeds $150,000,000, the Borrower shall on or before 12:00 p.m. (New York City time), on the next Business Day prepay any then-outstanding Loans, in an aggregate principal amount equal to the lesser of (i) such excess and (ii) the sum of the then-outstanding Loans; provided that for the purposes of this Section 5.2(d), Consolidated Cash Balance shall not be deemed to include any Net Cash Proceeds that will be repaid pursuant to Sections 5.2(e) through (h) hereof.

(e) Repayment of Loans Following any Dispositions or Swaps Unwinds. Subject to the terms of the DIP Order (including the priorities set forth therein), if the Borrower or any one of the other Credit Parties consummates (i) a Disposition of any of its Oil and Gas Properties or any other property (including, for the avoidance of doubt, transfers of property subject to a Casualty Event, but excluding any Disposition (x) permitted under Sections 11.4(a) or 11.4(e) (other than with respect to Oil and Gas Properties), (y) by a Credit Party to another Credit Party (to the extent such Disposition is otherwise permitted hereunder) or (z) of Identified Assets (which shall be subject to Section 5.2(f))) or (ii) the unwinding, terminating and/or offsetting of any Hedge Agreement, the Borrower shall, on the Business Day after receiving such proceeds, repay the Loans in an aggregate principal amount equal to the lesser of (1) 100% of the Net Cash Proceeds obtained from such Disposition and (2) the sum of the then-outstanding Loans.

(f) Repayment of Loans Following Disposition of Identified Assets. Subject to the terms of the DIP Order (including the priorities set forth therein), if the Borrower or any one of the other Credit Parties consummates a Disposition of any of the assets identified on Schedule 5.2(f) (the "Identified Assets"), the Borrower shall, on the Business Day after receiving such proceeds, repay the Loans in an aggregate principal amount equal to the lesser of (A) the sum of (1) 50% of the first $20,000,000 of Net Cash Proceeds obtained from all such Dispositions and (2) 100% of the Net Cash Proceeds obtained in excess thereof and (B) the sum of the then-outstanding Loans.

(g) Repayment of Loans Following Incurrence of Indebtedness and Issuance of Stock or Stock Equivalents. Subject to the terms of the DIP Order (including the priorities set forth therein), if the Borrower or any one of the other Credit Parties (i) incurs or issues any Indebtedness (other than Loans and Indebtedness permitted under subsections (c) and (m) of Section 11.1) or (ii) issues any Stock or Stock Equivalents for cash (other than issuances of Stock or Stock Equivalents permitted under Section 11.6), the Borrower shall, on the Business Day after receiving such proceeds, following prior written notice to the Administrative Agent of its intent to repay the Loans as hereinafter set forth, repay the Loans in an aggregate principal amount equal to 100% of the Net Cash Proceeds obtained from such incurrence.

(h) Application to Loans. With respect to each prepayment of Loans elected under Section 5.1, the Borrower may designate (i) the Types of Loans that are to be prepaid and the specific Borrowing(s) being repaid and (ii) the Loans to be prepaid.

provided that each prepayment of any Loans made pursuant to a Borrowing shall be applied *pro rata* among such Loans. In the absence of a designation by the Borrower under Section 5.2(h)(i), the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

(i) Notwithstanding anything in this Section 5.2 to the contrary, until the Discharge of Senior DIP Obligations, no mandatory prepayment of outstanding Loans or other application of proceeds that would otherwise be required to be made under this Section 5.2 shall be required to be made.

5.3 Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto not later than 1:00 p.m. (New York City time), in each case, on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office or account as the Administrative Agent shall specify for such purpose by notice to the Borrower. All repayments or prepayments of any Loans (whether of principal, interest or otherwise) hereunder and all other payments under each Credit Document shall be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if (x) payment was actually received by the Administrative Agent prior to 1:00 p.m. (New York City time), (y) the Administrative Agent has been afforded sufficient time to prepare such payment for distribution, and (z) in the case of a mandatory prepayment, written notice from the Borrower in respect of such prepayment was actually received by the Administrative Agent as contemplated under Section 5.2) or, otherwise, on the next Business Day in the sole discretion of the Administrative Agent, like funds relating to the payment of principal or interest or fees ratably to the Lenders entitled thereto.

(b) For purposes of computing interest or fees, any payments under this Agreement that are made later than 1:00 p.m. (New York City time) shall be deemed to have been made on the next succeeding Business Day in the sole discretion of the Administrative Agent. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments.

(a) Any and all payments made by or on behalf of the Borrower or any Guarantor under this Agreement or any other Credit Document shall be made free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes or Other Taxes; provided that if the Borrower or any Guarantor or the Administrative Agent shall be required by applicable Requirements of Law to deduct or withhold any Taxes from such payments, then (i) the Borrower or such Guarantor or the Administrative Agent shall make such deductions or withholdings as are reasonably determined by the Borrower, such Guarantor or the Administrative Agent to be required by any applicable Requirement of Law, (ii) the Borrower, such Guarantor or the Administrative Agent, as applicable, shall timely pay the full amount deducted or withheld to the relevant Governmental Authority within the time allowed and in accordance with applicable Requirements of Law, and (iii) to the extent withholding or deduction is required to be made on account of Indemnified Taxes or Other Taxes, the sum payable by the Borrower or such Guarantor shall be increased as necessary so that after making all required deductions and withholdings (including deductions or withholdings applicable to additional sums payable under this Section 5.4) the Administrative Agent or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made. Whenever any Indemnified Taxes or Other Taxes are payable by the Borrower or such Guarantor, as promptly as possible thereafter, the Borrower or Guarantor shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an official receipt (or other evidence acceptable to such Lender, acting reasonably) received by the Borrower or such Guarantor showing payment thereof. After any payment of Taxes by any Credit Party or the Administrative Agent to a Governmental Authority as provided in this Section 5.4, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, a copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(b) The Borrower shall timely pay and shall indemnify and hold harmless the Administrative Agent and each Lender with regard to any Other Taxes (whether or not such Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority).

(c) The Borrower shall indemnify and hold harmless the Administrative Agent and each Lender within 15 Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes imposed on the Administrative Agent or such Lender, as the case may be (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth in reasonable detail the basis and calculation of the amount of such payment or liability delivered to the Borrower by a Lender or the Administrative Agent (as applicable) on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) Each Lender shall deliver to the Borrower and the Administrative Agent, at such time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law and such other reasonably requested information as will permit the Borrower or the Administrative Agent, as the case may be, to determine (A) whether or not any payments made hereunder or under any other Credit Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to such Lender by any Credit Party pursuant to any Credit Document or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than the documentation set forth in Section 5.4(e), (h) and (i)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(e) Without limiting the generality of the foregoing, each Non-U.S. Lender with respect to any Loan made to the Borrower shall, to the extent it is legally entitled to do so:

(i) deliver to the Borrower and the Administrative Agent, prior to the date on which the first payment to the Non-U.S. Lender is due hereunder, two copies of (A) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", United States Internal Revenue Service Form W-8BEN-E (or any applicable successor form) (together with a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10% shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower, is not a CFC related to the Borrower (within the meaning of Section 864(d)(4) of the Code), (B) Internal Revenue Service Form W-8BEN-E or Form W-8ECI (or any applicable successor form), in each case properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement, (C) Internal Revenue Service Form W-8IMY (or any applicable successor form) and all necessary attachments (including the forms described in clauses (A) and (B) above, as required) or (D) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made; and

(ii) deliver to the Borrower and the Administrative Agent two further copies of any such form or certification (or any applicable successor form) on or before the date that any such form or certification expires or becomes obsolete or invalid, after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower and the Administrative Agent, and from time to time thereafter if reasonably requested by the Borrower and the Administrative Agent;

unless in any such case any Change in Law has occurred prior to the date on which any such delivery would otherwise be required that renders any such form inapplicable or would prevent such Non-U.S. Lender from duly completing and delivering any such form with respect to it and such Non-U.S. Lender promptly so advises the Borrower and the Administrative Agent. Each Person that shall become a Participant pursuant to Section 14.6 or a Lender pursuant to Section 14.6 shall, upon the effectiveness of the related transfer, be required to provide all the forms and statements required pursuant to this Section 5.4(e); provided that in the case of a Participant such Participant shall furnish all such required forms and statements to the Lender from which the related participation shall have been purchased.

(f) If any Lender or the Administrative Agent, as applicable, determines, in its sole discretion, that it had received and retained a refund of an Indemnified Tax or Other Tax for which a payment has been made by the Borrower or any Guarantor pursuant to this Agreement or any other Credit Document, which refund in the good faith judgment of such Lender or the Administrative Agent, as the case may be, is attributable to such payment made by the Borrower or any Guarantor, then such Lender or the Administrative Agent, as the case may be, shall reimburse the Borrower or such Guarantor for such amount (net of all out-of-pocket expenses of such Lender or the Administrative Agent, as the case may be, and without interest other than any interest received thereon from the relevant Governmental Authority with respect to such refund) as such Lender or the Administrative Agent, as the case may be, determines in its sole discretion to be the proportion of the refund as will leave it, after such reimbursement, in no better or worse position (taking into account expenses or any taxes imposed on the refund) than it would have been in if the payment had not been required; provided that the Borrower or such Guarantor, upon the request of such Lender or the Administrative Agent, agrees to repay the amount paid over to the Borrower or such Guarantor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Lender or the Administrative Agent in the event such Lender or the Administrative Agent is required to repay such refund to such Governmental Authority. In such event, such Lender or the Administrative Agent, as the case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant Governmental Authority (provided that such Lender or the Administrative Agent may delete any information therein that it deems confidential). Each Lender and the Administrative Agent shall claim any refund that it determines is available to it, unless it concludes in its sole discretion that it would be adversely affected by making such a claim. No Lender nor the Administrative Agent shall be obliged to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Credit Party in connection with this clause (f) or any other provision of this Section 5.4.

(g) If the Borrower determines that a reasonable basis exists for contesting a Tax, each Lender or the Administrative Agent, as the case may be, shall use reasonable efforts to cooperate with the Borrower as the Borrower may reasonably request in challenging such Tax. The Borrower shall indemnify and hold each Lender and the Administrative Agent harmless against any out-of-pocket expenses incurred by such Person in connection with any request made by the Borrower pursuant to this Section 5.4(g). Nothing in this Section 5.4(g) shall obligate any Lender or the Administrative Agent to take any action that such Person, in its sole judgment, determines may result in a material detriment to such Person.

(h) The Administrative Agent and each Lender that is a United States person under Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent two Internal Revenue Service Forms W-9 (or substitute or successor form), properly completed and duly executed,

certifying that such Person is exempt from United States federal backup withholding (i) on or prior to the Closing Date (or on or prior to the date it becomes a party to this Agreement), (ii) after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower and (iii) from time to time thereafter if reasonably requested by the Borrower or the Administrative Agent.

(i) If a payment made to any Lender or the Administrative Agent under this Agreement or any other Credit Document would be subject to U.S. federal withholding tax imposed by FATCA if such Person were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Person shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine that such Person has or has not complied with such Person's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 5.4(i), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(j) [Reserved].

(k) The agreements in this Section 5.4 shall survive the resignation or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments, the termination of this Agreement and Payment in Full.

5.5 Computations of Interest and Fees.

(a) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the ABR at times when the ABR is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable ABR, Adjusted LIBOR Rate or LIBOR Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(b) Fees shall be calculated on the basis of a 360-day year for the actual days elapsed.

5.6 Limit on Rate of Interest.

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obligated to pay any interest or other amounts under or in connection with this Agreement in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules and regulations.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower or any other Credit Party to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any applicable Requirement of Law, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate

of interest, as the case may be, as would not be so prohibited by applicable Requirements of Law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8.

(d) Rebate of Excess Interest. Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable Requirement of Law, then the Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

ARTICLE VI
[RESERVED]

ARTICLE VII
CONDITIONS PRECEDENT TO CLOSING DATE

The effectiveness of this Agreement and the obligation of each Lender to advance the Term Loan hereunder is subject to satisfaction (or waiver in accordance with Section 14.1) of the following conditions precedent:

7.1 Credit Documents. Each of the Credit Documents and other documentation relating to the Junior DIP Facility shall be in form and substance reasonably satisfactory to the Borrower, the Administrative Agent and the Lenders, and the Administrative Agent shall have received duly executed and delivered counterparts (in such numbers as may be requested by the Administrative Agent) of this Agreement and the other Credit Documents to be executed and delivered on or prior to such date, from each party hereto or thereto, as applicable (which shall include, with respect to the Guarantee, each of the Subsidiaries in existence on the Closing Date other than the Non-Debtor Subsidiaries), signed on behalf of such party (which, subject to Section 14.9(b), may include any Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page).

7.2 Secretary's Certificate. The Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent, a certificate of the Secretary or an Assistant Secretary of each Credit Party containing specimen signatures of the Persons authorized to execute Credit Documents to which each Credit Party is a party or any other documents provided for herein or therein, together with (i) a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent and the Majority Lenders, of the board of directors or managers of each Credit Party (or a duly authorized committee thereof) authorizing (A) the execution, delivery and performance of the Credit Documents (and any agreements relating thereto) to which it is a party and (B) in the case of the Borrower, the extensions of credit contemplated hereunder and (ii) true and complete copies of each of the organizational documents of each Person that is a Credit Party as of the Closing Date.

7.3 Good Standing Certificates. The Administrative Agent shall have received a certificate of good standing (or equivalent) from the appropriate governing agency of each Credit Party's jurisdiction of organization.

7.4 Legal Opinions. The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Closing Date) of (i) Sullivan & Cromwell LLP, special counsel for the Credit Parties and (ii) such local counsel as may be reasonably requested by the Administrative Agent or the Majority Lenders, in each case, in form and substance reasonably

satisfactory to the Administrative Agent and the Majority Lenders, and covering such customary matters relating to the Credit Parties and this Agreement.

7.5 Fees. The Administrative Agent and the Lenders shall have received all fees due and payable on or prior to the Closing Date, and, to the extent invoiced at least two (2) Business Days prior to the Closing Date, reimbursement or payment of all out of pocket expenses required to be reimbursed or paid by the Credit Parties hereunder, including all reasonable and documented fees, expenses and disbursements of the Administrative Agent and the Ad Hoc Term Lender Group Advisors.

7.6 KYC; PATRIOT Act; Beneficial Ownership. The Administrative Agent shall have received, at least five (5) days prior to the Closing Date, a duly executed W-9 (or other applicable tax form) of the Borrower, and all documentation and other information regarding the Credit Parties requested by the Administrative Agent or any Lender in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation.

7.7 Historical Financial Statements. The Lenders shall have received true, correct and complete copies of the Historical Financial Statements.

7.8 Initial Budget. The Majority Lenders shall have received the initial Budget for the 13-week period following the Petition Date, which shall be in a form satisfactory to the Majority Lenders in their reasonable discretion and in substance acceptable to the Majority Lenders, together with a Budget Certificate.

7.9 Chapter 11 Cases. (a) The Chapter 11 Cases shall have been commenced and (b) the motion to approve the Interim Order and the Final Order, and all "first day orders" entered at the time of commencement of the Chapter 11 Cases shall be reasonably satisfactory in form and substance to the Majority Lenders.

7.10 Interim Order. The Administrative Agent and the Lenders shall have received a signed copy of the Interim Order which shall have been entered by the Bankruptcy Court on or before the eighth (8^{th}) day after the Petition Date, and such Interim Order shall not have been vacated, reversed, modified amended or stayed.

7.11 Business Plan; Case Budget. The Lenders shall have received and the Majority Lenders shall be reasonably satisfied with (a) the business plan of Borrower for the period through the 2024 fiscal year of the Borrower and (b) a budget covering the period from July 2020 through January 2021.

7.12 No Conflicts. The Majority Lenders shall be satisfied in their reasonable judgment that, except as authorized by the Interim Order, there shall not occur as a result of, and after giving effect to, the initial extension of credit under the Junior DIP Facility, a default (or any event which with the giving of notice or lapse of time or both would be a default) under any of the Borrower's, the Guarantors' or their respective subsidiaries' debt instruments and other material agreements which, (i) in the case of the Borrower's or any Guarantor's debt instruments and other material agreements, would permit the counterparty thereto to exercise remedies thereunder on a post-petition basis or (ii) in the case of any other Subsidiary, would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

7.13 No MAE. The Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower in form and substance reasonably satisfactory to the Majority Lenders certifying that since February 26, 2020, no event has occurred (other than (a) the commencement of the Chapter 11 Cases or the consequences that would normally result from the commencement and continuation of a chapter

11 case, (b) any actions taken by the Credit Parties and disclosed to the Majority Lenders in respect of or relating to Elk Hills Power, LLC, the assets, business or capital structure thereof or any investment in Elk Hills Power, LLC by ECR Corporate Holdings L.P. prior to the Closing Date and (c) with respect to clause (a) of the definition of "Material Adverse Effect", any circumstances or conditions disclosed to the Majority Lenders prior to the Closing Date resulting from or arising out of the COVID-19 pandemic, the absolute levels of commodity prices or commodity price volatility, in each case occurring prior to the Closing Date) that would reasonably be expected result in a Material Adverse Effect.

7.14 No Litigation. The Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower in form and substance reasonably satisfactory to the Majority Lenders certifying that there does not exist any action, suit, investigation, litigation or proceeding pending or (to the knowledge of the Credit Parties) threatened against any Credit Party in any court or before any arbitrator or Governmental Authority (other than the Chapter 11 Cases and any action, suit, investigation or proceeding arising from the commencement and continuation of the Chapter 11 Cases or the consequences that would normally result from the commencement and continuation of a chapter 11 case) that is not stayed and would reasonably be expected to result in a Material Adverse Effect.

7.15 Approvals and Consents. The Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower in form and substance reasonably satisfactory to the Majority Lenders certifying that all necessary governmental and third party consents and approvals necessary in connection with the Junior DIP Facility and the transactions contemplated hereunder have been obtained (without the imposition of any materially adverse conditions that are not reasonably acceptable to the Majority Lenders) and remain in effect; and no material applicable law or regulation shall prevent the Credit Parties' performance of their obligations under the Junior DIP Facility or the transactions contemplated hereby.

7.16 Perfected Security Interest. The Administrative Agent for the benefit of the Secured Parties shall have a valid and perfected security interest in substantially all of the assets of the Credit Parties pursuant to the Interim Order.

7.17 Reserve Report. The Majority Lenders shall have received the most recent reserve report required to be delivered under the Prepetition RBL Credit Agreement.

7.18 [Reserved].

7.19 [Reserved].

7.20 Senior DIP Facility. (a) The Borrower shall have entered into the Senior DIP Facility and (b) the Senior DIP Facility Documentation and other documentation relating to the Senior DIP Facility shall be on the terms set forth in the term sheet for the Senior DIP Facility attached to Annex B of Exhibit A to the Restructuring Support Agreement.

7.21 Repayment in Full of Prepetition RBL Obligations. (a)The Prepetition RBL Obligations (other than letters of credit issued and outstanding under the Prepetition RBL Credit Agreement, cash management obligations under secured cash management agreements or contingent indemnification obligations not then due and payable) shall have been, or substantially contemporaneously with the funding of the Term Loan hereunder shall be, paid in full in cash with the proceeds of the Junior DIP Facility and the Senior DIP Facility (including, if applicable, with the proceeds of "rollup loans" made under the Senior DIP Facility on the Closing Date) and (b) letters of credit issued and outstanding under the Prepetition RBL Credit Agreement as of immediately prior to the closing date of the Senior DIP Facility shall have been deemed to have been issued under the Senior DIP Facility.

Notwithstanding the foregoing, the obligations of the Lenders to make the Term Loan shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 14.1) at or prior to 5:00 p.m., New York City time, on the earlier of (a) the date that is eight (8) days after the Petition Date and (b) July 23, 2020 (and, in the event such conditions are not so satisfied or waived prior to such time, the Commitments shall terminate at such time).

ARTICLE VIII
CONDITIONS PRECEDENT TO ALL CREDIT EVENTS

The agreement of each Lender to make any Loan requested to be made by it on any date is subject to the satisfaction of the following conditions precedent:

8.1 No Default; Representations and Warranties. At the time of each Credit Event and also after giving pro forma effect thereto (including the application of the proceeds thereof) (a) no Default or Event of Default shall have occurred and be continuing, (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be, to the knowledge of an Authorized Officer of the Borrower and its Subsidiaries, true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) as of such earlier date) and (c) the Consolidated Cash Balance does not exceed $150,000,000.

8.2 Notice of Borrowing. Prior to the making of the Term Loan, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.3(a).

8.3 No Violation. The making of the Term Loan shall not violate any Requirement of Law and shall not be enjoined, temporarily, preliminarily or permanently.

8.4 Financial Covenant Compliance. At the time of each Credit Event and also after giving pro forma effect thereto, the Borrower shall be in pro forma compliance with the Financial Performance Covenants.

8.5 DIP Order. (a) During the Interim Period, the Interim Order shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect without the consent of the Majority Lenders (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, the Administrative Agent) or (b) for any Credit Event occurring on or after the Final Order Entry Deadline, the Final Order shall have been entered by the Bankruptcy Court and shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect without the consent of the Majority Lenders (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, the Administrative Agent).

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to the Administrative Agent and each of the Lenders that all the applicable conditions specified in Article VIII above have been satisfied as of that time.

ARTICLE IX
REPRESENTATIONS, WARRANTIES AND AGREEMENTS

In order to induce the Lenders to enter into this Agreement and to make the Loans, the Borrower makes, on the Closing Date and on each other date as required or otherwise set forth in this Agreement, the following representations and warranties to, and agreements with, the Administrative Agent and the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans:

9.1 Corporate Status. Subject to any restrictions arising on account of their status as "debtors" under the Bankruptcy Code and entry of the DIP Order, each of the Borrower and each Subsidiary (a) is a duly organized and validly existing corporation or other entity in good standing under the laws of the jurisdiction of its organization, (b) has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged, (c) has duly qualified and is authorized to do business and is in good standing in all jurisdictions where it is required to be so qualified, and (d) is in compliance with all Requirements of Law.

9.2 Corporate Power and Authority; Enforceability. Subject to any restrictions arising on account of their status as "debtors" under the Bankruptcy Code and entry of the DIP Order, each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document, upon entry of the Interim Order or the Final Order, as applicable, constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, subject to any restrictions arising on account of any Credit Party's status as a "debtor" under the Bankruptcy Code and further subject to other applicable bankruptcy, insolvency, fraudulent conveyance, reorganization and similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

9.3 No Violation. Subject to entry of the DIP Order, none of the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party or the compliance with the terms and provisions thereof will (a) contravene any material applicable provision of any material Requirement of Law, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party or any of the Subsidiaries (other than Liens created under the Security Documents and Liens permitted by Section 11.2(dd) with respect to the Senior DIP Facility) pursuant to the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other instrument to which such Credit Party or any of the Subsidiaries is a party or by which it or any of its property or assets is bound (any such term, covenant, condition or provision, a "Contractual Requirement") or (c) violate any provision of the certificate of incorporation, by-laws or other organizational documents of such Credit Party or any of the Subsidiaries.

9.4 Litigation. Except as set forth on Schedule 9.4, as of the Closing Date, and other than the Chapter 11 Cases, (a) there are no actions, suits or proceedings pending or, to the knowledge of an Authorized Officer of the Borrower, threatened in writing with respect to the Borrower or any of its Subsidiaries and (b) the Borrower has not received any written notice of Environmental Claims from a Governmental Authority, that, in each case, would reasonably be expected to result in a Material Adverse Effect.

9.5 Margin Regulations. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, Regulation U or Regulation X of the Board. The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying margin stock.

9.6 Governmental Approvals. Subject to entry of the DIP Order, the execution, delivery and performance of each Credit Document do not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority other than (a) such as have been obtained or made and are in full force and effect, (b) filings and recordings in respect of the Liens created pursuant to the Security Documents and (c) such consents, approvals, registrations, filings or actions the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

9.7 Investment Company Act. No Credit Party is an "investment company" within the meaning of the Investment Company Act of 1940.

9.8 True and Complete Disclosure.

(a) None of the written factual information and written data (taken as a whole) furnished by or on behalf of the Borrower, any of the Subsidiaries or any of their respective authorized representatives to the Administrative Agent and/or any Lender on or before the Closing Date (including all such information and data contained in the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time (after giving effect to all supplements so furnished prior to such time, including all information set forth in the Form 10-12B of the Borrower as filed with the SEC from time to time) in light of the circumstances under which such information or data was furnished; it being understood and agreed that for purposes of this Section 9.8(a), such factual information and data shall not include *pro forma* financial information, projections or estimates (including financial estimates, forecasts and other forward-looking information) and information of a general economic or general industry nature.

(b) The projections (including financial estimates, forecasts and other forward-looking information) contained in the information and data referred to in Section 9.8(a) were based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made; it being recognized by the Administrative Agent and the Lenders that such projections are as to future events and are not to be viewed as facts, the projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower and the Subsidiaries, that no assurance can be given that any particular projections will be realized and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

(c) Each Budget (including the Budget delivered to the Lenders immediately prior to the Petition Date) was prepared in good faith based upon assumptions the Borrower believed to be reasonable assumptions on the date of delivery of such Budget.

9.9 Financial Condition; Financial Statements.

(a) On the Closing Date, the Historical Financial Statements present fairly in all material respects the combined consolidated financial position of the Borrower and the combined consolidated Subsidiaries at the dates of such information and for the period covered thereby and have been prepared in accordance with GAAP consistently applied except to the extent provided in the notes thereto, if any, subject, in the case of the unaudited financial information, to changes resulting from audit, normal year end audit adjustments and to the absence of footnotes.

(b) On the Closing Date, neither the Borrower nor any Subsidiary has any material Indebtedness (including Disqualified Stock), any material guarantee obligations, contingent liabilities, off balance sheet liabilities, partnership liabilities for taxes or unusual forward or long-term commitments that,

in each case, are not reflected or provided for in the Historical Financial Statements, except as would not reasonably be expected to have a Material Adverse Effect.

(c) Since the date of the financial statements most recently delivered pursuant to Section 10.1(a), and, prior to the delivery of such financial statements, since February 26, 2020, to the actual knowledge of any Authorized Officer of the Borrower, there has been no Material Adverse Effect.

9.10 Tax Matters. Except where the failure of which would not be reasonably expected to have a Material Adverse Effect, (a) each of the Borrower and the Subsidiaries has filed all federal income tax returns and all other tax returns, domestic and foreign, required to be filed by it and has paid all taxes payable by it that have become due, other than those (i) not yet delinquent or (ii) being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided to the extent required by and in accordance with GAAP and (b) to the extent not yet due and payable, the Borrower and each of the Subsidiaries have paid, or have provided adequate reserves (in the good faith judgment of management of the Borrower or such Subsidiary) in accordance with GAAP for the payment of, all federal, state, provincial and foreign tax liabilities accrued for the current fiscal year to the Closing Date.

9.11 Compliance with ERISA.

(a) Each Plan is in compliance with ERISA, the Code and any applicable Requirement of Law; no Reportable Event has occurred (or is reasonably likely to occur) with respect to any Plan; each Plan has satisfied the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, and there has been no determination that any such Plan is, or is expected to be, in "at risk" status (within the meaning of Section 4010(d)(2) of ERISA); none of the Borrower or any ERISA Affiliate has incurred (or is reasonably likely to incur) any liability to or on account of a Plan or a Multiemployer Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code or has been notified in writing that it will incur any liability under any of the foregoing Sections with respect to any Plan or Multiemployer Plan; no proceedings have been instituted to terminate or to reorganize any Plan or to appoint a trustee to administer any Plan, and no written notice of any such proceedings has been given to the Borrower or any ERISA Affiliate; no Multiemployer Plan is insolvent or in reorganization, and no written notice of any such insolvency or reorganization has been given to the Borrower or any ERISA Affiliate; and no lien imposed under the Code or ERISA on the assets of the Borrower or any ERISA Affiliate exists (or is reasonably likely to exist) nor has the Borrower or any ERISA Affiliate been notified in writing that such a lien will be imposed on the assets of the Borrower or any ERISA Affiliate on account of any Plan or a Multiemployer Plan, except to the extent that a breach of any of the representations, warranties or agreements in this Section 9.11(a) would not result, individually or in the aggregate, in an amount of liability that would be reasonably likely to have a Material Adverse Effect. No Plan has an Unfunded Current Liability that would, individually or when taken together with any other liabilities referenced in this Section 9.11(a), be reasonably likely to have a Material Adverse Effect. With respect to Multiemployer Plans, the representations and warranties in this Section 9.11(a), other than any made with respect to liability under Section 4201 or 4204 of ERISA, are made to the knowledge of the Borrower.

(b) All Foreign Plans are in compliance with, and have been established, administered and operated in accordance with, the terms of such Foreign Plans and applicable law, except for any failure to so comply, establish, administer or operate the Foreign Plans as would not reasonably be expected to have a Material Adverse Effect. All contributions or other payments which are due with respect to each Foreign Plan have been made in full and there are no funding deficiencies thereunder, except to the extent any such events would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.12 Subsidiaries. Schedule 9.12 lists each Subsidiary of the Borrower (and the direct and indirect ownership interest of the Borrower therein), in each case existing on the Closing Date.

9.13 Environmental Laws.

(a) Except as set forth on Schedule 9.13, on the Closing Date, except as would not reasonably be expected to have a Material Adverse Effect as of the Closing Date: (i) the Borrower and each of the Subsidiaries and all Oil and Gas Properties are in compliance with all applicable Environmental Laws; (ii) neither the Borrower nor any Subsidiary has received written notice of any Environmental Claim or any other liability under any applicable Environmental Law; (iii) neither the Borrower nor any Subsidiary is conducting any investigation, removal, remedial or other corrective action pursuant to any applicable Environmental Law at any location; and (iv) there has been no release or, to the knowledge of any Authorized Officer of the Borrower, threatened release of any Hazardous Materials at, on or under any Oil and Gas Properties currently owned or leased by the Borrower or any of its Subsidiaries.

(b) Except as set forth on Schedule 9.13, on the Closing Date, except as would not reasonably be expected to have a Material Adverse Effect as of the Closing Date, neither the Borrower nor any of the Subsidiaries has treated, stored, transported, released or disposed or arranged for disposal or transport for disposal of Hazardous Materials at, on, under or from any currently or formerly owned or leased Oil and Gas Properties or facility in a manner that would reasonably be expected to give rise to liability of the Borrower or any Subsidiary under any applicable Environmental Law.

9.14 Properties.

(a) Each Credit Party has good and defensible title to its material Oil and Gas Properties and good title to its material personal properties (in each case, subject to any Permitted Liens which are permitted to attach thereto) and owns such Oil and Gas Properties, in each case, free and clear of all Liens other than Liens permitted by Section 11.2. After giving full effect to the Liens permitted by Section 11.2, the Borrower or the Subsidiary specified as the owner owns the working interests and net revenue interests attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report, and the ownership of such properties shall not in any material respect obligate the Borrower or such Subsidiary to bear the costs and expenses relating to the maintenance, development and operations of each such property in an amount in excess of the working interest of each property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase in the Borrower's or such Subsidiary's net revenue interest in such property.

(b) All material leases and agreements necessary for the conduct of the business of the Borrower and the Subsidiaries are valid and subsisting, in full force and effect, except to the extent that any such failure to be valid or subsisting would not reasonably be expected to have a Material Adverse Effect.

(c) The rights and properties presently owned, leased or licensed by the Credit Parties including all easements and rights of way, include all rights and properties necessary to permit the Credit Parties to conduct their respective businesses as currently conducted, except to the extent any failure to have any such rights or properties would not reasonably be expected to have a Material Adverse Effect.

(d) All of the properties of the Borrower and the Subsidiaries that are reasonably necessary for the operation of their businesses are in good working condition and are maintained in accordance with prudent business standards, except to the extent any failure to satisfy the foregoing would reasonably be expected to have a Material Adverse Effect.

9.15 [Reserved].

9.16 Insurance. The properties of the Borrower and the Subsidiaries are insured in the manner contemplated by Section 10.3.

9.17 Hedge Agreements. Except as set forth on Schedule 9.17, as of the Closing Date, the Credit Parties are not party to any Hedge Agreements.

9.18 Patriot Act. On the Closing Date, each Credit Party is in compliance in all material respects with the material provisions of the Patriot Act, and the Borrower has provided to the Administrative Agent and the Lenders all information related to the Credit Parties (including but not limited to names, addresses and tax identification numbers (if applicable)) reasonably requested in writing by the Administrative Agent and the Lenders and mutually agreed to be required by the Patriot Act to be obtained by the Administrative Agent or any Lender.

9.19 [Reserved].

9.20 No Default. On the Closing Date, no Credit Party is in default under or with respect to any Contractual Requirement that would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Credit Document. Each of the Borrower and each Subsidiary is in compliance in all material respects with the Requirements of Law applicable to it or to its properties, except in such instances in which (a) such Requirement of Law is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

9.21 Direct Benefit. The initial Borrowing hereunder and all additional Borrowings are for the direct benefit of the Borrower and its Subsidiaries. The Borrower and its Subsidiaries shall engage as an integrated group in the business of oil and gas exploration, production and related activities and other legal business purposes, and any benefits to the Borrower and its Subsidiaries is a benefit to all of them, both directly or indirectly, inasmuch as the successful operation and condition of the Borrower and its Subsidiaries is partially dependent upon the continued successful performance of the functions of the integrated group as a whole.

9.22 Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and its directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Authorized Officers of the Borrower, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in the Borrower being designated as a Sanctioned Person. None of (a) the Borrower, any of its Subsidiaries or to the knowledge of the Authorized Officers of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Authorized Officers of the Borrower any agent of the Borrower or any of its Subsidiaries that will act in any capacity in connection with or benefit from the Facilities, is a Sanctioned Person. No Borrowing, use of proceeds or other Transactions will violate Anti-Corruption Laws or applicable Sanctions.

9.23 [Reserved].

9.24 EEA Financial Institutions. No Credit Party is an EEA Financial Institution.

9.25 Flood Insurance Regulations. As of the Closing Date, Schedule 9.25 identifies all Mortgaged Property such that if such Mortgaged Property were located in a special flood hazard area, such Mortgaged Property would require flood insurance pursuant to the Flood Insurance Regulations.

9.26 Beneficial Ownership. As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all respects.

9.27 Cases and Orders.

(a) The Chapter 11 Cases were commenced on the Petition Date in accordance with applicable Requirements of Law and proper notice thereof was given for (i) the motion seeking approval of the Credit Documents, the Interim Order and the Final Order, (ii) the hearing for the entry of the Interim Order and (iii) the hearing for the entry of the Final Order (provided that notice of the final hearing will be given as soon as reasonably practicable after such hearing has been scheduled). The Credit Parties that are Debtors shall give, on a timely basis as specified in the Interim Order or the Final Order, as applicable, all notices required to be given to all parties specified in the Interim Order or the Final Order, as applicable.

(b) After the entry of the Interim Order, and pursuant to, subject to and to the extent permitted in the DIP Order, as applicable, the Obligations will constitute allowed Superpriority Claims in the Chapter 11 Cases having priority over all administrative expense claims and unsecured claims against the Debtors now existing or hereafter arising, of any kind whatsoever, including all administrative expense claims of the kind specified in Sections 105, 326, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1114 or any other provision of the Bankruptcy Code or otherwise, as provided under section 364(c)(l) of the Bankruptcy Code, subject to (i) the Carve Out and (ii) the priorities set forth in the DIP Order.

(c) After the entry of the Interim Order and pursuant to and to the extent provided in the DIP Order, as applicable, the Obligations will be secured by a valid and perfected Lien on all of the Collateral subject to the priorities set forth in the DIP Order.

(d) (i) With respect to the Interim Period, the Interim Order is in full force and effect and has not been (x) vacated, reversed or stayed in any respect (whether by statutory stay or otherwise) or (y) modified or amended in any material respect without the consent of the Majority Lenders in their sole discretion (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, the Administrative Agent) and (ii) with respect to the period following the Interim Period, the Final Order has been entered by the Bankruptcy Court and is in full force and effect and has not been (x) vacated, reversed or stayed in any respect (whether by statutory stay or otherwise) or (y) modified or amended in any material respect without the consent of the Majority Lenders in their sole discretion (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, the Administrative Agent).

(e) Notwithstanding the provisions of Section 362 of the Bankruptcy Code, but subject to the applicable provisions of the Interim Order or the Final Order, as the case may be, upon the Termination Date (whether by acceleration or otherwise), the Administrative Agent and the Lenders shall be entitled to immediate Payment in Full and to enforce the remedies provided for hereunder or under applicable law, without further notice, motion or application to, hearing before, or order from, the Bankruptcy Court.

ARTICLE X
AFFIRMATIVE COVENANTS

The Borrower hereby covenants and agrees that until Payment in Full:

10.1 Information Covenants. The Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. As soon as available and in any event within five (5) Business Days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 90 days after the end of each such fiscal year), the audited consolidated balance sheets of the Borrower and the Subsidiaries and, if different, the Borrower and the Subsidiaries, in each case as at the end of such fiscal year, and the related consolidated statements of operations, shareholders' equity and cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal years (or, in lieu of such audited financial statements of the Borrower and the Subsidiaries, a detailed reconciliation, reflecting such financial information for the Borrower and the Subsidiaries, on the one hand, and the Borrower and the Subsidiaries, on the other hand), all in reasonable detail and prepared in accordance with GAAP, and, except with respect to such reconciliation, certified by independent certified public accountants of recognized national standing, together in any event with a certificate of such accounting firm stating that in the course of either (i) its regular audit of the business of the Borrower and its consolidated Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards or (ii) performing certain other procedures permitted by professional standards, such accounting firm has obtained no knowledge of any Event of Default relating to the Financial Performance Covenants that has occurred and is continuing or, if in the opinion of such accounting firm such an Event of Default has occurred and is continuing, a statement as to the nature thereof, together with, if not otherwise required to be filed with the SEC, a customary management discussion and analysis describing the financial condition and results of operations of the Borrower and its Subsidiaries.

(b) Quarterly Financial Statements. As soon as available and in any event within five (5) Business Days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions) with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 60 days after the end of each such quarterly accounting period), the consolidated balance sheets of the Borrower and the Subsidiaries and, if different, the Borrower and the Subsidiaries, in each case as at the end of such quarterly period and the related consolidated statements of operations, shareholders' equity and cash flows for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year (or, in lieu of such unaudited financial statements of the Borrower and the Subsidiaries, a detailed reconciliation reflecting such financial information for the Borrower and the Subsidiaries, on the one hand, and the Borrower and the Subsidiaries, on the other hand), all of which shall be certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows, of the Borrower and its consolidated Subsidiaries in accordance with GAAP, subject to changes resulting from audit and normal year-end audit adjustments and the absence of footnotes, together with, if not otherwise required to be filed with the SEC, a customary management discussion and analysis describing the financial condition and results of operations of the Borrower and its Subsidiaries.

(c) Monthly Operating Reports. Substantially concurrently with the filing thereof with the Bankruptcy Court, the monthly operating report of the Debtors required to be filed with the Bankruptcy Court.

(d) Officer's Certificates. (i) At the time of the delivery of the financial statements provided for in Sections 10.1(a) and 10.1(b), a certificate of an Authorized Officer of the Borrower, certifying that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth a specification of any change in the identity of the Subsidiaries and Guarantors as at the end of such fiscal year or period, as the case may be, from the Subsidiaries and Guarantors, respectively, provided to the Lenders on the Closing Date or the most recent fiscal year or period, as the case may be and (ii) on each Thursday, a certificate of a Financial Officer of the Borrower, certifying that the Borrower was in compliance with (A) the Financial Performance Covenant in Section 11.11(b)(i) as of the close of business on the immediately preceding Friday and (B) the Financial Performance Covenant in Section 11.11(b)(ii) as of the close of business on each day since the Closing Date or the delivery of the last such certificate, as the case may be, together with the calculations required to establish whether the Borrower was in compliance with the Financial Performance Covenant in Section 11.11(b)(i) as of the close of business on the Friday immediately preceding the date on which such certificate is required to be delivered hereunder.

(e) Notice of Default; Litigation. Promptly after an Authorized Officer of the Borrower obtains actual knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (ii) any Proceeding pending against the Borrower or any of the Subsidiaries for which it would reasonably be expected that an adverse determination is probable, and that such determination would result in a Material Adverse Effect.

(f) Environmental Matters. Promptly after an Authorized Officer of the Borrower obtains written notice of any Governmental Authority of any one or more of the following environmental matters, unless such environmental matters would not, individually, or when aggregated with all other such matters, be reasonably expected to result in a Material Adverse Effect, notice of:

(i) any pending or threatened Environmental Claim against any Credit Party or any Oil and Gas Properties;

(ii) any condition or occurrence on any Oil and Gas Properties that (A) would reasonably be expected to result in noncompliance by any Credit Party with any applicable Environmental Law or (B) would reasonably be anticipated to form the basis of an Environmental Claim against any Credit Party or any Oil and Gas Properties;

(iii) any condition or occurrence on any Oil and Gas Properties that would reasonably be anticipated to cause such Oil and Gas Properties to be subject to any restrictions on the ownership, occupancy, use or transferability of such Oil and Gas Properties under any Environmental Law; and

(iv) the conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, release or threatened release of any Hazardous Material on, at, under or from any Oil and Gas Properties.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the response thereto.

(g) Other Information. (i) Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8), (ii) contemporaneously with the delivery thereof to such other Person copies of all financial statements, proxy statements, notices and reports that the Borrower or any of the Subsidiaries shall send to the holders of any publicly issued debt of the Borrower and/or any of the Subsidiaries, in each case in their capacity as such holders, lenders or agents (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement), (iii) with reasonable promptness, but subject to the limitations set forth in the last sentences of Section 10.2(a) and Section 14.6, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time and (iv) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

(h) Beneficial Ownership. Prompt written notice of any change in the information provided in the Beneficial Ownership Certification delivered to any Lender that would result in a change to the list of beneficial owners identified in such certification.

(i) 13-Week Projections; Variance Reports.

(i) On each fourth Thursday, commencing on Thursday, August 13, 2020, the Borrower shall provide to the Administrative Agent and the Lenders (A) an updated 13-week Projection covering the period commencing with the most recently ended Saturday and ending 13 weeks thereafter and (B) a certificate of a Financial Officer of the Borrower stating that such 13-week Projection has been prepared on a reasonable basis and in good faith and is based on assumptions believed by the Borrower to be reasonable at the time made and from the best information then available to the Borrower in connection therewith (such certificate a "Budget Certificate"). Such updated 13-week Projection shall, upon the approval of the Majority Lenders and (prior to the Discharge of Senior DIP Obligations) the "Majority Lenders" (as defined in the Senior DIP Credit Agreement), become the Budget for all purposes herein; provided that the Majority Lenders will be deemed to have approved such updated 13-week Projection unless Lenders constituting the Majority Lenders reasonably object in writing within 5 Business Days of receiving such updated 13-week Projection. For the avoidance of doubt, until such time as a new 13-week Projection is approved or deemed approved by the Majority Lenders and (prior to the Discharge of Senior DIP Obligations) the "Majority Lenders" (as defined in the Senior DIP Credit Agreement), the then-effective Budget shall continue to be the Budget for all purposes under this Agreement.

(ii) On every other Thursday, commencing with the Thursday of the second full week after the Petition Date, an Authorized Officer of the Borrower shall provide to the Administrative Agent and the Lenders a Variance Report with respect to the Budget that covered the immediately preceding four-week period ending with the most recently ended Friday (it being understood, for avoidance of doubt, that for purposes of this Section the above reference to the Budget shall refer to the most recent Budget that was in effect for such elapsed period) that is certified as being true and correct.

Documents required to be delivered pursuant to Sections 10.1(a) and (b), Section 10.1(f) and Section 10.1(i) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 14.2, (ii) on which such documents are transmitted

by electronic mail to the Administrative Agent or (iii) on which such documents are filed of record with the SEC; provided that the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents (except that no such notice shall be required to the extent such documents are filed on record with the SEC). Notwithstanding anything contained herein, at the request of the Administrative Agent, the Borrower shall be required to provide paper copies of the certificates required by Section 10.1(d) to the Administrative Agent. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of such documents from the Administrative Agent and maintaining its copies of such documents.

10.2 Books, Records and Inspections.

(a) The Borrower will, and will cause each Subsidiary to, permit officers and designated representatives of the Administrative Agent or the Majority Lenders (as accompanied by the Administrative Agent) to visit and inspect any of the properties or assets of the Borrower or such Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Borrower and any such Subsidiary and discuss the affairs, finances and accounts of the Borrower and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, upon reasonable advance notice to the Borrower, all at such reasonable times and intervals during normal business hours and to such reasonable extent as the Administrative Agent or the Majority Lenders may desire (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); provided that, excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent on behalf of the Majority Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 10.2; provided, further, that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) or any representative of the Majority Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Majority Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants. Notwithstanding anything to the contrary in Section 10.1(f)(iii) or this Section 10.2, neither the Borrower nor any Subsidiary will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by any Requirement of Law or any binding agreement or (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product.

(b) The Borrower will, and will cause each of the Subsidiaries to, maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with GAAP consistently applied shall be made of all material financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be.

10.3 Maintenance of Insurance. The Borrower will, and will cause each Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith

judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business; and will furnish to the Administrative Agent, upon written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried. The Administrative Agent shall be the additional insured on any such liability insurance as its interests may appear and, if casualty insurance is obtained, the Administrative Agent shall be the additional loss payee under any such casualty insurance; provided that, subject to the mandatory prepayment provisions set forth in Section 5.2, so long as no Event of Default has occurred and is then continuing, the Secured Parties will provide (or permit the applicable insurance company to provide) any proceeds of such casualty insurance to the Borrower to the extent that the Borrower undertakes to apply such proceeds to the reconstruction, replacement or repair of the property insured thereby. All policies of insurance required by the terms of this Agreement or any Security Document shall provide that each insurer shall endeavor to give at least 30 days' prior written notice to the Administrative Agent of any cancellation of such insurance (or at least 10 days' prior written notice in the case of cancellation of such insurance due to non-payment of premiums). If any Building (as defined in the applicable Flood Insurance Regulation) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulation) constitutes Mortgaged Property, each applicable Credit Party shall maintain in full force and effect flood insurance for such property, structures and contents in such amount and for so long as required by the Flood Insurance Regulations.

10.4 Payment of Taxes. Except as prohibited or excused by the DIP Order, the Bankruptcy Code or an applicable order of the Bankruptcy Court, the Borrower will pay and discharge, and will cause each of the Subsidiaries to pay and discharge, all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which material penalties attach thereto, and all lawful material claims in respect of any Taxes imposed, assessed or levied that, if unpaid, would reasonably be expected to become a material Lien upon any properties of the Borrower or any of the Subsidiaries; provided that neither the Borrower nor any of the Subsidiaries shall be required to pay or discharge any such tax, assessment, charge, levy or claim that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower) with respect thereto to the extent required by, and in accordance with, GAAP or the failure to pay or discharge would not reasonably be expected to result in a Material Adverse Effect.

10.5 Consolidated Corporate Franchises. The Borrower will do, and will cause each Subsidiary to do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence, corporate rights and authority, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; provided that the Borrower and its Subsidiaries may consummate any transaction permitted under Section 11.3, 11.4 or 11.5.

10.6 Compliance with Statutes, Regulations, Etc. The Borrower will, and will cause each Subsidiary to, comply with all Requirements of Law applicable to it or its property, including all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, in each case except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

10.7 ERISA.

(a) Promptly after the Borrower or any ERISA Affiliate knows or has reason to know of the occurrence of any of the following events that, individually or in the aggregate (including in the aggregate such events previously disclosed or exempt from disclosure hereunder, to the extent the liability

therefor remains outstanding), would be reasonably likely to have a Material Adverse Effect, the Borrower will deliver to the Administrative Agent a certificate of an Authorized Officer or any other senior officer of the Borrower setting forth details as to such occurrence and the action, if any, that the Borrower or such ERISA Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by the Borrower, such ERISA Affiliate, the PBGC, a Plan participant (other than notices relating to an individual participant's benefits) or the Plan administrator with respect thereto: that a Reportable Event has occurred; that an application is to be made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan; that a Plan having an Unfunded Current Liability has been or is to be terminated, or a Multiemployer Plan is to be reorganized, partitioned or declared insolvent, under Title IV of ERISA (including the giving of written notice thereof); that a Plan has an Unfunded Current Liability that has or will result in a lien under ERISA or the Code; that a proceeding has been instituted against the Borrower or an ERISA Affiliate pursuant to Section 515 of ERISA to collect a delinquent contribution to a Multiemployer Plan; that the PBGC has notified the Borrower or any ERISA Affiliate of its intention to appoint a trustee to administer any Plan; that the Borrower or any ERISA Affiliate has failed to make a required installment or other payment pursuant to Section 412 of the Code with respect to a Plan; or that the Borrower or any ERISA Affiliate has incurred or will incur (or has been notified in writing that it will incur) any liability (including any contingent or secondary liability) to or on account of a Plan or a Multiemployer Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code.

(b) Promptly following any request therefor, the Borrower will deliver to the Administrative Agent copies of (i) any documents described in Section 101(k) of ERISA that the Borrower and any of its Subsidiaries or any ERISA Affiliate may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l) of ERISA that the Borrower and any of its Subsidiaries or any ERISA Affiliate may request with respect to any Multiemployer Plan; provided that if the Borrower, any of its Subsidiaries or any ERISA Affiliate has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, the Borrower, the applicable Subsidiary(ies) or the ERISA Affiliate(s) shall promptly, following a request from the Administrative Agent, make a request for such documents or notices from such administrator or sponsor and shall provide copies of such documents and notices promptly after receipt thereof.

10.8 Maintenance of Properties. The Borrower will, and will cause each of the Subsidiaries to, except in each case where the failure to so comply would not reasonably be expected to result in a Material Adverse Effect:

(a) operate its Oil and Gas Properties and other material properties or cause such Oil and Gas Properties and other material properties to be operated in a careful and efficient manner in accordance with the practices of the industry and in compliance with all applicable Contractual Requirements and all applicable Requirements of Law, including applicable proration requirements and applicable Environmental Laws, and all applicable Requirements of Law of every other Governmental Authority from time to time constituted to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom;

(b) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and preserve, maintain and keep in good repair, working order and efficiency (ordinary wear and tear excepted) all of its material Oil and Gas Properties and other material properties, including all equipment, machinery and facilities; and

(c) to the extent a Credit Party is not the operator of any property, the Borrower shall use reasonable efforts to cause the operator to comply with this Section 10.8.

10.9 [Reserved].

10.10 Additional Guarantors, Grantors and Collateral. Subject to entry and the terms of the Interim Order (and, when entered, the Final Order):

(a) Subject to Section 11.16, the Borrower will cause any direct or indirect Subsidiary formed or otherwise purchased or acquired after the Closing Date within thirty (30) days from the date of such formation or acquisition to execute a joinder or supplement, as the case may be, to each of the Guarantee, the Security Agreement and the Pledge Agreement, in each case, in order to become a Guarantor under the Guarantee, a grantor under the Security Agreement and a pledgor under the Pledge Agreement;

(b) the Borrower will make all required filings, registrations and recordings, including filings of Uniform Commercial Code or other applicable personal property and financing statements, necessary or appropriate to create or continue, as applicable, the Liens intended to be created by any Security Document and perfect such Liens to the extent required by, and with the priority required by, such Security Document and none of the Collateral shall be subject to any other pledges, security interests or mortgages, except that Liens permitted under Section 11.2 may exist;

(c) the Borrower will pledge, and if applicable will cause each other Guarantor (or Person required to become a Guarantor pursuant to Section 10.10(a)) to pledge to the Administrative Agent, for the benefit of the Secured Parties, all property hereafter acquired (other than Excluded Property) within ten (10) Business Days after the date such property is first acquired or received by the Borrower or a Guarantor (or Person required to become a Guarantor pursuant to Section 10.10(a)); and

(d) the Borrower will execute such Mortgages, other Security Documents and other documents or instruments, and shall take such actions, necessary to comply at all times with the collateral requirements hereunder and in each Security Document, including after giving effect to any acquisition of additional property, including any Oil and Gas Properties.

10.11 Use of Proceeds. The Borrower will use the proceeds of the Loans, together with the amounts borrowed under the Senior DIP Facility and the "roll-up" of certain pre-petition loans thereunder, (i) to pay fees and expenses related to the Junior DIP Facility and the Chapter 11 Cases and (ii) to refinance in full the Prepetition RBL Obligations on the Closing Date.

10.12 Further Assurances.

(a) Subject to the applicable limitations set forth in the Security Documents, the Borrower will, and will cause each other Credit Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture, filings, assignments of as-extracted collateral, mortgages, deeds of trust and other documents) that may be required under any applicable Requirements of Law, or that the Administrative Agent or the Majority Lenders may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the applicable Security Documents or to carry out more effectively the purposes of the DIP Order, all at the expense of the Borrower and the Subsidiaries.

(b) Notwithstanding anything herein to the contrary, if the Majority Lenders and the Borrower reasonably determine in writing that the cost of creating or perfecting any Lien on any property

is excessive in relation to the benefits afforded to the Lenders thereby, then such property may be excluded from the Collateral for all purposes of the Credit Documents.

10.13 Reserve Reports. On or before March 31, May 31, August 31 and November 30 of each year, beginning on August 31, 2020, the Borrower shall furnish to the Administrative Agent a Reserve Report evaluating, as of the immediately preceding January 1st (with respect to the March 31st Reserve Report), April 1st (with respect to the May 31 Reserve Report), July 1st (with respect to the August 31st Reserve Report) or October 1st (with respect to the November 30th Reserve Report) the Proved Reserves of the Borrower and the Credit Parties located within the geographic boundaries of the United States of America (or the Outer Continental Shelf adjacent to the United States of America). The May 31st Reserve Report will, at the Borrower's option, be either (a) (i) prior to the Discharge of Senior DIP Obligations, prepared by an independent petroleum engineering firm reasonably acceptable to the Senior DIP Agent and (ii) following the Discharge of Senior DIP Obligations, prepared by one or more Approved Petroleum Engineers or (b) prepared by or under the supervision of the Borrower's chief engineer and audited or subject to a process review by an Approved Petroleum Engineer; provided that to the extent the Borrower elects to have such Reserve Report prepared internally and audited or made subject to a process review by an independent petroleum engineer, such audit or process review shall be acceptable so long as the aggregate of the oil and gas volumes audited or reviewed in such Reserve Report (i) equals or exceeds 20% of the aggregate volumes evaluated in such Reserve Report and (ii) when aggregated with all of the other oil and gas volumes audited or reviewed by an independent petroleum engineer over the prior five years, equals or exceeds 80% of the aggregate volumes evaluated in such Reserve Report; provided, further, that such Reserve Report shall be substantially similar to the Borrower's year-end reserve report filed with the SEC. Each other Reserve Report will, at the Borrower's option, be either (1) prepared by an Approved Petroleum Engineer or (2) prepared by or under the supervision of the Borrower's chief engineer; provided that such Reserve Report shall be prepared in a customary fashion substantially similar to past reserve reports delivered under this Agreement and may be a "roll forward" of the previously delivered Reserve Report prepared in a customary fashion.

10.14 Credit Rating. The Borrower shall use commercially reasonable efforts to obtain a rating for the Junior DIP Facility from both S&P and Moody's on or prior to the date that is forty-five (45) days following the Closing Date; provided that if the Borrower is unable to obtain both ratings for the Junior DIP Facility on or prior to such date, the Borrower shall (i) thereafter use its commercially reasonable efforts to obtain both ratings for the Junior DIP Facility as soon as possible, and (ii) as promptly as practicable provide to the Administrative Agent and the Lenders any other information, documentation or other evidence reasonably requested by the Administrative Agent or the Majority Lenders in connection with the subject matter of this Section 10.14.

10.15 Milestones. The following actions shall have been taken by the Debtors or the Bankruptcy Court, as applicable, by the following dates (such dates, collectively, the "Milestones"), in each case except as the Majority Lenders may agree:

(a) no later than 8 days after the Petition Date, the Bankruptcy Court shall have entered the Interim Order;

(b) no later than 14 days after the Petition Date, the Debtors shall have filed the Plan of Reorganization and Disclosure Statement along with a motion seeking approval of the Disclosure Statement;

(c) no later than 40 days after the Petition Date, the Bankruptcy Court shall have entered the Final Order;

(d) no later than 44 days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Solicitation Materials and the Disclosure Statement;

(e) no later than 105 days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Confirmation Order; and

(f) no later than 135 days after the Petition Date, the effective date of the Plan of Reorganization shall have occurred.

10.16 Minimum Hedged Volume. The Borrower and/or other Credit Parties shall, on or before the date occurring eight (8) weeks after the Petition Date (or such later date as the Senior DIP Agent may agree pursuant to Section 10.16 of the Senior DIP Credit Agreement), enter into and maintain Hedge Agreements with Hedge Banks (as defined in the Senior DIP Credit Agreement), the net notional volumes (when aggregated with other commodity Hedge Agreements then in effect) for which are not less than twenty-five percent (25%) of the reasonably anticipated crude oil production from the Proved Developed Producing Reserves of the Credit Parties (as forecast based upon the most recent Reserve Report delivered pursuant to Section 10.13) on a monthly basis for the 12-month period commencing on the date of entry of the Final Order.

10.17 Lender Calls. The Borrower shall host a conference call with the Administrative Agent and its representatives (which, for the avoidance of doubt, shall not be obligated to join such call), the Lenders and the Ad Hoc Term Lender Group Advisors once per week upon reasonable prior notice to be held at such time as reasonably designated by the Borrower (in consultation with the Administrative Agent and the Ad Hoc Term Lender Group Advisors), at which conference call shall be discussed the Budget and the Variance Report for the prior week related thereto, the Credit Parties' financial condition, business operations, liquidity, business plan, projections and the status of the Chapter 11 Cases generally.

10.18 Bankruptcy Related Matters. Each Credit Party shall, and shall cause each of its Subsidiaries to:

(a) cause all proposed (i) "first day" orders, (ii) "second day" orders, (iii) orders related to or affecting the Junior DIP Facility, the Obligations, the Prepetition Obligations and the Credit Documents, any other financing or use of cash collateral, any sale or other disposition of Collateral outside the ordinary course or adequate protection, (iv) any plan of reorganization and/or any disclosure statement related thereto, (v) orders approving non-ordinary course transactions and (vi) orders concerning the financial condition of the Debtors, or other Indebtedness of the Debtors submitted to the Bankruptcy Court, in each case, proposed by the Debtors, to be in accordance with the terms of this Agreement in all material respects, it being understood and agreed that the forms of all orders approved by the Ad Hoc Term Lender Group Advisors prior to the Petition Date are in accordance with the terms of this Agreement and are reasonably acceptable or acceptable, as the case may be, to the Majority Lenders in all respects;

(b) comply in all material respects with each order entered by the Bankruptcy Court in connection with the Chapter 11 Cases;

(c) deliver to the Administrative Agent (for distribution to the Lenders) and the Ad Hoc Term Lender Group Advisors at least two (2) days prior to such filing or distribution, copies of all material pleadings and motions to be filed by or on behalf of the Borrower or any of the other Debtors with the Bankruptcy Court or the United States Trustee in the Chapter 11 Cases, or to be distributed by or on behalf of the Borrower or any of the other Debtors to any official committee appointed in the Chapter 11 Cases (other than emergency pleadings or motions where, despite such Debtor's commercially reasonable efforts, such two-day notice is impracticable); provided that copies of pleadings and motions to be so filed by or on

behalf of the Borrower or any of the other Debtors to the extent directly relating to this Agreement or any other Credit Document, including, without limitation, any amendment, modification or supplement to this Agreement or any other Credit Document (or a waiver of the provisions thereof) or any other matter adversely affecting the liens, claims or rights of the Secured Parties under this Agreement or any other Credit Document in any material respect shall be delivered to the Administrative Agent and the Ad Hoc Term Lender Group Advisors at least three (3) days prior to such filing;

(d) if not otherwise provided through the Bankruptcy Court's electronic docketing system, as soon as available, deliver to the Administrative Agent (for distribution to the Lenders) and the Ad Hoc Term Lender Group Advisors promptly as soon as available, copies of all final pleadings, motions, applications, orders, financial information and other documents distributed by or on behalf of the Credit Parties to any official or unofficial committee appointed or appearing in the Chapter 11 Cases; and

(e) except as otherwise is permitted by the DIP Order, the Borrower shall provide prior written notice as soon as reasonably practicable to the Administrative Agent and the Ad Hoc Term Lender Group Advisors prior to any assumption or rejection of any Debtor's or any Subsidiary's material contracts or material non-residential real property leases pursuant to Section 365 of the Bankruptcy Code, and no such contract or lease shall be assumed or rejected, if such assumption or rejection adversely impacts the Collateral, any Liens thereon or any Superpriority Claims payable therefrom (including, without limitation, any sale or other disposition of Collateral or the priority of any such Liens or Superpriority Claims), if the Administrative Agent (acting at the direction of the Majority Lenders) or the Ad Hoc Term Lender Group Advisors inform the Borrower in writing within three (3) Business Days of receipt of the notice from the Borrower referenced above that it objects to such assumption or rejection, as applicable.

10.19 Production Reports. Concurrently with any delivery of financial statements under Section 10.1(c), a report setting forth, for each calendar month since the "as of" date of the most recently delivered Reserve Report, the volume of production and sales attributable to production (and the prices at which such sales were made and the revenues derived from such sales) for each such calendar month from the Oil and Gas Properties, and setting forth the related taxes and operating expenses attributable thereto and incurred for each such calendar month.

10.20 Business Plan. By November 30, 2020, or such earlier date upon any material change to the business plan delivered to the Lenders on the Closing Date pursuant to Section 7.11, the Borrower shall deliver to the Lenders an updated business plan in form and substance reasonably satisfactory to the Majority Lenders for the period through the 2024 fiscal year of the Borrower.

10.21 Priority of Liens. Each Credit Party hereby covenants, represents and warrants that, upon entry of the Interim Order (and when applicable, the Final Order), its Obligations hereunder and under the other Credit Documents, in each case subject to the DIP Order, as applicable:

(a) pursuant to Section 364(c)(1) of the Bankruptcy Code, shall at all times constitute an allowed Superpriority Claim against each of the Credit Parties that are Debtors on a joint and several basis, which will be payable from and have recourse to all pre- and post-petition property of such Credit Parties and all proceeds thereof (excluding Avoidance Actions but including, subject to entry of a Final Order, Avoidance Action Proceeds), subject only to the Carve Out to the extent provided in the DIP Order, the Senior Superpriority DIP Claims and the RBL Adequate Protection Claims, and any payments or proceeds on account of such Superpriority Claim shall be distributed in accordance with Section 12.2(b);

(b) pursuant to Section 364(c)(2) of the Bankruptcy Code and subject to the Carve Out to the extent provided in the DIP Order, the Senior DIP Liens and the RBL Adequate Protection Liens, shall be secured by a valid, binding, continuing, enforceable, fully-perfected second priority senior security interest

and Lien on all of the assets of the Credit Parties that are Debtors, whether currently existing or thereafter acquired, of the same nature, scope and type as the Collateral that are not subject to (x) valid, perfected and non-avoidable liens as of the Petition Date or (y) valid Liens in existence as of the Petition Date that are perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code, excluding Avoidance Actions but including, subject to entry of the Final Order, Avoidance Proceeds;

(c) pursuant to section 364(d)(1) of the Bankruptcy Code and subject only to the Carve Out to the extent provided in the DIP Order, the Senior DIP Liens and the liens securing the Prepetition RBL Obligations, shall at all times be secured by (i) a valid, binding, continuing, enforceable, fully-perfected second priority priming security interest in and Lien upon the property of the Credit Parties that are Debtors of the same nature, scope and type as the Collateral to the extent that such Collateral is subject to existing Liens that secure the obligations of the applicable Credit Party under the Prepetition Debt Documents and (ii) except as provided above with respect to RBL Adequate Protection Liens, such priming liens shall be senior in all respects to any Adequate Protection Liens (as defined in the applicable DIP Order);

(d) pursuant to Section 364(c)(3) of the Bankruptcy Code, subject only to the Carve Out to the extent provided in the DIP Order, the Senior DIP Liens, the RBL Adequate Protection Liens and except as provided in clause (c) above, shall be secured by a valid, binding, continuing, enforceable, fully-perfected junior security interest in and Lien on the Collateral that is subject to (A) valid, perfected and non-avoidable senior Liens in existence at the time of the commencement of the Chapter 11 Cases that were senior to the Liens securing the Prepetition RBL Obligations and the Prepetition FLMO Obligations, (B) valid senior Liens in existence at the time of such commencement that were senior to the Liens securing the Prepetition RBL Obligations and the Prepetition FLMO Obligations and are perfected subsequent to such commencement as permitted by Section 546(b) of the Bankruptcy Code and (C) liens securing the obligations under the Senior DIP Facility and with the priority as set forth in the DIP Order;

(e) shall not be subject or subordinate to (i) any Lien or security interest that is avoided and preserved for the benefit of the Credit Parties that are Debtors and their estates under section 551 of the Bankruptcy Code or (ii) unless otherwise provided for in the Credit Documents, any Liens arising after the Petition Date including, without limitation, any Liens or security interests granted in favor of any federal, state, municipal or other domestic or foreign governmental unit (including any regulatory body), commission, board or court for any liability of the Credit Parties that are Debtors; and

(f) for the avoidance of doubt, the Collateral shall exclude Avoidance Actions, but shall, subject to entry of the Final Order, include Avoidance Proceeds.

(g) Subject to and effective only upon entry of the Final Order, except to the extent of the Carve Out, no costs or expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including a case under chapter 7 of the Bankruptcy Code, shall be charged against or recovered from the Collateral pursuant to Sections 105 or 506(c) of the Bankruptcy Code, the enhancement of collateral provisions of Section 552 of the Bankruptcy Code, or any other legal or equitable doctrine (including, without limitation, unjust enrichment) or any similar principle of law, without the prior written consent of Administrative Agent and the Majority Lenders, as the case may be with respect to their respective interests, and no consent shall be implied from any action, inaction or acquiescence by Administrative Agent or the Lenders. In no event shall the Administrative Agent or the Lenders be subject to (i) the “equities of the case” exception contained in Section 552(b) of the Bankruptcy Code (subject only to and effective upon entry of the Final Order), or (ii) the equitable doctrine of “marshaling” or any other similar doctrine with respect to the Collateral except to the extent provided in the DIP Order.

(h) Except for the Carve Out and as otherwise provided in the DIP Order, the Superpriority Claims shall at all times be senior to the rights of any Credit Party, any chapter 11 trustee and, subject to Section 726 of the Bankruptcy Code, any chapter 7 trustee, or any other creditor (including, without limitation, post-petition counterparties and other post-petition creditors) in the Chapter 11 Cases or any subsequent proceedings under the Bankruptcy Code, including, without limitation, any chapter 7 cases (if any of the Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code).

10.22 Post-Closing Obligations. On or prior to the date that is ten (10) Business Days after the Closing Date (or such later date as the Senior DIP Agent may agree in accordance with Section 10.21 of the Senior DIP Credit Agreement), the Administrative Agent shall have received copies of insurance certificates evidencing the insurance required to be maintained by the Borrower and its Subsidiaries pursuant to Section 10.3 hereof, together with insurance endorsements naming the Administrative Agent as additional insured and lender's loss payee, as applicable.

ARTICLE XI
NEGATIVE COVENANTS

The Borrower hereby covenants and agrees that until Payment in Full (and, in each case, subject to the Borrower's right to determine which exception will apply, in the case of any particular transaction that may be permitted under more than one exception, and in any event, with no exception limiting any other exception):

11.1 Limitation on Indebtedness. The Borrower will not, and will not permit any of the Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness other than the following:

(a) (i) Indebtedness arising under the Credit Documents and (ii) Indebtedness arising under the Senior DIP Facility; provided that the aggregate principal amount of loans and letters of credit arising under the Senior DIP Facility shall not exceed $483,010,655.62 (or such other amount set forth in and subject to the terms and conditions of the DIP Order);

(b) [reserved];

(c) unsecured Indebtedness of the Credit Parties owing to the other Credit Parties;

(d) to the extent in existence on the Petition Date or in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims, Indebtedness in respect of any bankers' acceptance, bank guarantees, letter of credit, warehouse receipt or similar facilities entered into in the ordinary course of business;

(e) subject to compliance with Section 11.5, Guarantee Obligations incurred by (i) Guarantors in respect of Indebtedness of the Borrower or the Guarantors that is permitted to be incurred under this Agreement (except that a Guarantor may not, by virtue of this Section 11.1(e), guarantee Indebtedness that such Guarantor could not otherwise incur under this Section 11.1) and (ii) the Borrower in respect of Indebtedness of Guarantors that is permitted to be incurred under this Agreement; provided that if the Indebtedness being guaranteed under this Section 11.1(e) is subordinated to the Obligations, such Guarantee Obligations shall be subordinated to the Guarantee of the Obligations on terms at least as favorable to the Lenders as those contained in the subordination of such Indebtedness;

(f) Guarantee Obligations (i) incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors, licensees or sublicensees or (ii) otherwise constituting Investments permitted by Sections 11.5(b)(iv), (xv) and (xvii);

(g) Indebtedness arising under Capital Leases incurred prior to the Petition Date;

(h) Prepetition Indebtedness, without giving effect to any extensions, renewals, refinancings, supplemental borrowings or other incurrences thereof;

(i) [reserved];

(j) [reserved];

(k) [reserved];

(l) to the extent in existence on the Petition Date or to the extent incurred to secure health, safety and environmental obligations in the ordinary course of business or consistent with past practice, Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business or consistent with past practice;

(m) Cash Management Obligations (as defined in the Senior DIP Credit Agreement), Cash Management Services (as defined in the Senior DIP Credit Agreement) and other Indebtedness in respect of netting services, automatic clearing house arrangements, employees' credit or purchase cards, overdraft protections and similar arrangements in each case incurred in the ordinary course of business;

(n) Indebtedness incurred in the ordinary course of business in respect of obligations of the Borrower or any Guarantor to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services;

(o) to the extent in existence on the Petition Date, Indebtedness arising from agreements of the Borrower or any Guarantor providing for indemnification, adjustment of purchase price or similar obligations (including earn-outs), in each case entered into in connection with Investments and/or the Disposition of any business, assets or Stock permitted hereunder;

(p) Indebtedness of the Borrower or any Guarantor consisting of (i) obligations to pay insurance premiums or (ii) obligations contained in firm transportation or supply agreements or other take or pay contracts entered into prior to the Petition Date, in each case arising in the ordinary course of business;

(q) Indebtedness representing deferred compensation to employees, consultants or independent contractors of the Borrower and the Guarantors incurred in the ordinary course of business;

(r) to the extent in existence on the Petition Date, Indebtedness consisting of promissory notes issued by the Borrower or any Guarantor to current or former officers, managers, consultants, directors and employees (or their respective spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) permitted by Section 11.6;

(s) Indebtedness consisting of obligations of the Borrower and the Guarantors under deferred compensation or other similar arrangements incurred by such Person in connection with the Transactions or, to the extent in existence on the Petition Date, any other Investment permitted hereunder;

(t) Indebtedness associated with bonds or surety obligations required by Requirements of Law or by Governmental Authorities in connection with the operation of Oil and Gas Properties in the ordinary course of business;

(u) [reserved];

(v) [reserved];

(w) [reserved];

(x) other Indebtedness in an aggregate principal amount not to exceed $5,000,000;

(y) all premiums (if any), interest (including post-petition interest), fees, expenses, charges, and additional or contingent interest on obligations in clauses (a) through (x) above and clause (z) below; and

(z) Indebtedness in respect of Adequate Protection Claims (as defined in the DIP Order) to the extent, and subject to the conditions, set forth in the DIP Order.

Notwithstanding anything to the contrary in this Section 11.1, any other provisions of this Agreement or any other Credit Document, the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to create, incur, assume or suffer to exist any Indebtedness.

11.2 Limitation on Liens. The Borrower will not, and will not permit any of the Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any Subsidiary, whether now owned or hereafter acquired, and will not apply to the Bankruptcy Court for the authority to do any of the foregoing, except:

(a) Liens arising under the Credit Documents to secure the Obligations;

(b) Permitted Liens;

(c) Liens securing Indebtedness permitted pursuant to Section 11.1(g);

(d) (i) Liens on any property of the Borrower or any Guarantor existing on the Petition Date and listed on Schedule 11.2; provided that (A) no such Lien shall at any time be extended to cover any additional property not subject thereto on the Petition Date and (B) the principal amount of the Indebtedness secured by such Liens shall not be extended, renewed, refunded or refinanced and (ii) Liens on the property of the Borrower or any Guarantor in existence on the Petition Date that are perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code;

(e) Liens securing Prepetition Indebtedness; provided that such Liens are subject to the terms and conditions of the DIP Order;

(f) [reserved];

(g) [reserved];

(h) [reserved];

(i) Liens (i) of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off);

(j) [reserved];

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale or purchase of goods entered into by the Borrower or any of the Guarantors in the ordinary course of business permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 11.5;

(m) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts in existence on the Petition Date incurred in the ordinary course of business and approved by the Borrower's board of directors;

(n) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance or incurrence of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Guarantor to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Guarantors or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Guarantor in the ordinary course of business;

(o) [reserved];

(p) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(q) Liens in respect of Production Payments which, in the case of Production Payments constituting Indebtedness, only secure assets that are subject to such Production Payments; provided that the obligations secured by such Liens shall not exceed $5,000,000;

(r) the prior right of consignees and their lenders under consignment arrangements entered into in the ordinary course of business;

(s) agreements to subordinate any interest of the Borrower or any Guarantor in any accounts receivable or other proceeds arising from inventory consigned by the Borrower or any Guarantor pursuant to an agreement entered into in the ordinary course of business;

(t) [reserved];

(u) [reserved];

(v) Liens arising pursuant to Section 107(l) of CERCLA, or other Environmental Law, unless such Lien (i) by action of the lienholder, or by operation of law, takes priority over any Liens arising under the Credit Documents on the property upon which it is a Lien, and (ii) relates to a liability of the Borrower or any Subsidiary that is reasonably likely to exceed $5,000,000;

(w) [reserved];

(x) [reserved];

(y) [reserved];

(z) Liens securing Indebtedness permitted under Section 11.1(x);

(aa) [reserved];

(bb) Liens in existence on the Petition Date securing the counterparty's interests under farm-in agreements or farm-out agreements and Development Joint Ventures relating to Proved Undeveloped Reserves or Hydrocarbon Interests to which no Proved Reserves are attributable or undeveloped acreage to which no Proved Reserves are attributable;

(cc) the Adequate Protection Liens (as defined in the DIP Order) to the extent, and subject to the conditions, set forth in the DIP Order; and

(dd) Liens securing the Senior DIP Credit Agreement and the obligations due and owing thereunder; provided that such Liens are subject to the terms and conditions of the DIP Order.

Notwithstanding anything to the contrary in this Section 11.2, any other provisions of this Agreement or any other Credit Document, the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to create, incur, assume or suffer to exist any Lien upon any of its property or assets of any kind (real or personal, tangible or intangible), whether now owned or hereafter acquired.

11.3 Limitation on Fundamental Changes. The Borrower will not, and will not permit any of the Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of, all or substantially all its business units, assets or other properties.

11.4 Limitation on Sale of Assets. The Borrower will not, and will not permit any of the Subsidiaries to, (x) convey, sell, lease, sell and leaseback, assign, farm-out, transfer or otherwise dispose (each of the foregoing a "Disposition") of any of its property, business or assets (including receivables and leasehold interests), whether now owned or hereafter acquired or (y) sell to any Person (other than the Borrower or a Guarantor) any shares owned by it of any Subsidiary's Stock and Stock Equivalents, except that:

(a) the Borrower and the Guarantors may Dispose of (i) inventory and other goods held for sale, including Hydrocarbons, obsolete, worn out, used or surplus equipment, vehicles and other assets (other than accounts receivable), in each case in the ordinary course of business (including equipment that is no longer necessary for the business of the Borrower or the Guarantors or is replaced by equipment of at least comparable value and use) and (ii) Permitted Investments;

(b) the Borrower and the Guarantors may Dispose of any Oil and Gas Properties or any interest therein or the Stock or Stock Equivalents of any Subsidiary owning Oil and Gas Properties (x) to the extent required by the terms of operating agreements, farm-ins, joint exploration and development agreements and other agreements as in effect on the Closing Date and, in each case, in the ordinary course of business, and (y) to the extent such properties do not constitute Proved Reserves and are not included in the most recently delivered Reserve Report in connection with operating agreements, farm-ins, joint

exploration and development agreements and other agreements customary in the oil and gas industry for the purpose of developing such Oil and Gas Properties; provided that (i) such Disposition is for Fair Market Value and (ii) the Borrower shall provide prior written notice to the Administrative Agent of such Disposition;

(c) the Borrower and the Guarantors may Dispose of property or assets pursuant to an order of the Bankruptcy Court;

(d) the Borrower and any Guarantor may effect any transaction permitted by Section 11.3, 11.5 or 11.6;

(e) the Borrower and the Guarantors may lease, sublease, license or sublicense (on a non-exclusive basis with respect to any intellectual property) real (other than Oil and Gas Properties), personal or intellectual property, in each case in the ordinary course of business;

(f) the Borrower and each other Credit Party may Dispose of property or assets to the Borrower or any other Credit Party;

(g) Dispositions of Hydrocarbon Interests to which no Proved Reserves are attributable and farm-outs of undeveloped acreage to which no Proved Reserves are attributable and assignments in connection with such farm-outs; provided that (i) such Disposition is for Fair Market Value and (ii) the Borrower receives 100% cash consideration for such Disposition;

(h) [reserved];

(i) [reserved];

(j) transfers of property subject to a (i) Casualty Event or in connection with any condemnation proceeding with respect to Collateral upon receipt of the net cash proceeds of such Casualty Event or condemnation proceeding or (ii) in connection with any Casualty Event or any condemnation proceeding, in each case with respect to property that does not constitute Collateral;

(k) Dispositions of accounts receivable (i) in connection with the collection or compromise thereof or (ii) to the extent the proceeds thereof are used to prepay any Loans then outstanding;

(l) the unwinding, terminating and/or offsetting of any Hedge Agreement which, following the Discharge of Senior DIP Obligations only, shall be subject to the prior written consent of the Majority Lenders (such consent not to be unreasonably withheld or delayed);

(m) [reserved];

(n) [reserved]; and

(o) Dispositions of any easement on any surface rights to any Governmental Authority to satisfy the requirements of any "conservation easements" or similar programs established by any Governmental Authority; provided that such Disposition does not materially impair the exploitation and development of the affected Oil and Gas Properties.

Notwithstanding anything to the contrary in this Section 11.4, any other provisions of this Agreement or any other Credit Document, the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to (x) Dispose of any of its property, business or assets (including receivables and leasehold interests), whether now owned or hereafter acquired to any Person other than the Borrower or a

Guarantor or (y) sell to any Person (other than the Borrower or a Guarantor) any shares owned by it of any Subsidiary's Stock and Stock Equivalents.

11.5 Limitation on Investments.

(a) [Reserved].

(b) The Borrower will not, and will not permit any of the Subsidiaries, to make or maintain any Investment except:

(i) extensions of trade credit and purchases of assets and services (including purchases of inventory, supplies and materials) in the ordinary course of business;

(ii) Investments in assets that constituted Permitted Investments at the time such Investments were made;

(iii) [reserved];

(iv) Investments existing on, or made pursuant to legally binding written commitments in existence on, the Petition Date as set forth on Schedule 11.5;

(v) Investments received in connection with the bankruptcy or reorganization of suppliers or customers and in settlement of delinquent obligations of, and other disputes with, customers arising in the ordinary course of business or upon foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(vi) [reserved];

(vii)[reserved];

(viii) [reserved];

(ix) Investments constituting non-cash proceeds of Dispositions of assets to the extent such Disposition is permitted by Section 11.4;

(x) [reserved];

(xi) [reserved];

(xii) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(xiii) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;

(xiv) advances of payroll payments to employees, consultants or independent contractors or other advances of salaries or compensation to employees, consultants or independent contractors, in each case in the ordinary course of business and included in the Budget or, if not included in the Budget, in an aggregate amount to exceed $1,000,000;

(xv) guarantee obligations of the Borrower or any other Credit Party of leases (other than Capital Leases) or of other obligations of a Credit Party that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(xvi) [reserved];

(xvii) Investments in interests in additional Oil and Gas Properties or Investments related to farm-out, farm-in, joint operating, joint development or other area of mutual interest agreements, in each case in the ordinary course of business and included in the Budget;

(xviii) Investments in Hedge Agreements permitted by Section 11.1 and Section 11.10;

(xix) [reserved];

(xx) to the extent in existence on the Petition Date, Investments by the Borrower or any Subsidiary in any Guarantor; and

(xxi) Investments consisting of licensing of intellectual property pursuant to joint marketing arrangements with other Persons in the ordinary course of business.

Notwithstanding anything to the contrary in this Section 11.5, any other provisions of this Agreement or any other Credit Document, (x) the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to make or maintain any Investment and (y) the Borrower will not, nor will it permit any of its Subsidiaries to, make or maintain any Investment in any Non-Debtor Subsidiary (other than, in the case of this clause (y), Investments in the Stock of such Non-Debtor Subsidiary as in existence on the Petition Date pursuant to clause (xx) of this Section 11.5).

11.6 Limitation on Restricted Payments. The Borrower will not, nor will it permit any of its Subsidiaries to, pay any dividends (other than Restricted Payments payable solely in its Stock that is not Disqualified Stock) or return any capital to its equity holders or make any other distribution, payment or delivery of property or cash to its equity holders as such, or redeem, retire, purchase or otherwise acquire, directly or indirectly, for consideration, any shares of any class of its Stock or Stock Equivalents or the Stock or Stock Equivalents of any direct or indirect parent now or hereafter outstanding, or set aside any funds for any of the foregoing purposes, or permit any of the Subsidiaries to purchase or otherwise acquire for consideration (other than in connection with an Investment permitted by Section 11.5) any Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof), now or hereafter outstanding (all of the foregoing, "Restricted Payments"); provided that any Subsidiary may pay Restricted Payments to the Borrower or any other Credit Party.

11.7 Limitation on Debt Payments and Amendments. Except as otherwise provided for herein and in the DIP Order, the Borrower shall not, and shall not permit the Subsidiaries to, (a) make any payment or prepayment on or redemption or acquisition for value (including, without limitation, by way of depositing with the trustee with respect thereto money or securities before due for the purpose of paying when due) of any Prepetition Indebtedness, (b) pay any interest on any Prepetition Indebtedness (other than the Prepetition RBL Obligations to the extent expressly provided in the DIP Order) of such Person (whether in cash, in kind securities or otherwise), (c) terminate, amend, restate, amend and restate, modify or supplement any of the Elk Hills Power Agreements (other than any amendment contemplated by the Restructuring Support Agreement as in effect on the Closing Date, and only so long as such amendment does not increase the amount of cash distributions or the value of any other distributions payable to ECR Corporate Holdings L.P. or any other funds, investment vehicles and/or accounts managed or advised by Ares Management LLC

beyond what is provided for in the Restructuring Support Agreement as in effect on the Closing Date), (d) amend, restate, amend and restate, supplement or otherwise modify such Person's organizational documents in a manner that is materially adverse to the Lenders (in their capacities as such) or (e) amend, restate, amend and restate, supplement or otherwise modify the Senior DIP Credit Agreement in a manner that is materially adverse to the Lenders.

11.8 Negative Pledge Agreements. The Borrower will not, and will not permit any of the Subsidiaries to, enter into or permit to exist any Contractual Requirement (other than this Agreement, any other Credit Document or the Senior DIP Facility Documentation) that limits the ability of the Borrower or any Guarantor to create, incur, assume or suffer to exist Liens on property of such Person for the benefit of the Secured Parties with respect to the Obligations or under the Credit Documents; provided that the foregoing shall not apply to Contractual Requirements that (i) exist on the Petition Date and (to the extent not otherwise permitted by this Section 11.8) are listed on Schedule 11.8, (ii) are customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto, (iii) comprise restrictions imposed by any agreement relating to secured Indebtedness permitted pursuant to Section 11.1 to the extent that such restrictions apply only to the property or assets securing such Indebtedness, (iv) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Guarantor or in leases prohibiting Liens on retained property rights of the lessor in connection with operations of the lessee conducted on the leased property, (v) restrict the use of cash or other deposits imposed by customers under contracts entered into in the ordinary course of business, (vi) are imposed by applicable law or (vii) are restrictions regarding licenses or sublicenses by the Borrower and its Subsidiaries of intellectual property in the ordinary course of business (in which case such restriction shall relate only to such intellectual property).

11.9 Limitation on Subsidiary Distributions. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Subsidiary to pay dividends or make any other distributions to the Borrower or any Subsidiary on its Stock or with respect to any other interest or participation in, or measured by, its profits or transfer any property to the Borrower or any Subsidiary except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a) contractual encumbrances or restrictions in effect on the Petition Date that are described on Schedule 11.9 or pursuant to the Credit Documents;

(b) [reserved];

(c) purchase money obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations to the extent such restrictions are limited to restrictions on transferring the property so acquired;

(d) Requirement of Law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Borrower or any Guarantor, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence on the Petition Date (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated;

(f) [reserved];

(g) [reserved];

(h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(i) [reserved];

(j) to the extent in existence on the Petition Date, customary provisions in joint venture agreements or agreements governing property held with a common owner and other similar agreements or arrangements relating solely to such joint venture or property; and

(k) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business.

11.10 Hedge Agreements. The Borrower will not, and will not permit any Subsidiary to, enter into any Hedge Agreements with any Person other than, in the case of the Borrower or a Guarantor, a Hedge Bank (as defined in the Senior DIP Credit Agreement) and, then, only so long as:

(a) any such Hedge Agreement does not have a term greater than sixty (60) months from the date such Hedge Agreement is entered into;

(b) at all times, on a net basis, (A) the aggregate notional volume for each of natural gas (including natural gas liquids) and crude oil, calculated separately, covered by market sensitive Hedge Agreements for any month in the first year of the forthcoming five year period (other than Excluded Hedges) shall not exceed 90% of the total Proved Reserves of natural gas (including natural gas liquids) and crude oil production, calculated separately, for each such month in such forthcoming period and (B) the aggregate notional volume for each of natural gas (including natural gas liquids) and crude oil, calculated separately, covered by market sensitive Hedge Agreements for any month in each of the second through fifth years of the forthcoming five year period (other than Excluded Hedges) shall not exceed 80% of the total Proved Reserves of natural gas (including natural gas liquids) and crude oil production, calculated separately, for each such month in such forthcoming period;

(c) any such Hedge Agreement is non-speculative (including Hedge Agreements entered into to unwind or offset other permitted Hedge Agreements); and

(d) the Borrower and the Subsidiaries properly identify and consistently report such hedges, the Borrower and the Subsidiaries may utilize crude oil hedges as a substitute for hedging natural gas liquids.

It is understood that for purposes of this Section 11.10, the following Hedge Agreements shall not be deemed speculative or entered into for speculative purposes: (i) any commodity Hedge Agreement intended, at inception of execution, to hedge or manage any of the risks related to existing and or forecasted Hydrocarbon production of the Borrower or its Subsidiaries (whether or not contracted) and (ii) any Hedge Agreement intended, at inception of execution, (A) to hedge or manage the interest rate exposure associated with any existing debt securities, debt facilities or leases of the Borrower or its Subsidiaries and (B) for foreign exchange or currency exchange management.

Notwithstanding anything to the contrary in this Section 11.10, any other provisions of this Agreement or any other Credit Document, the Borrower will not permit any Non-Debtor Subsidiary, nor will any Non-Debtor Subsidiary be permitted, to enter into any Hedge Agreements with any Person.

11.11 Financial Performance Covenants.

(a) Budget Variance. As of Thursday, August 13, 2020 and on each fourth Thursday thereafter (each four-week period ending on the immediately preceding Friday prior to the delivery of the latest 13-week Projection, a "Testing Period"; provided that the initial Testing Period shall be deemed to include the full calendar week in which the Petition Date occurs), the Borrower shall not permit (i) the Total Operating Disbursements made by the Borrower and its Subsidiaries during such Testing Period (provided that if the 13-week Projection for such Testing Period has not yet been approved or deemed approved by the Majority Lenders, then such amount shall be reduced by any Total Operating Disbursements projected for the previous Testing Period in the Budget for the previous Testing Period and not expended during the previous Testing Period) to be greater than 110% of the Total Operating Disbursements as set forth in the Budget for such Testing Period or (ii) Operating AP Payments, Payroll/Payroll Taxes (which, for the avoidance of doubt and consistent with the Budget, shall include amounts associated with the Borrower's "Key Employee Incentive Plan" and "Key Employee Retention Plan") and Elk Hills Power Capacity/Reimbursement (provided that if the 13-week Projection for such Testing Period has not yet been approved or deemed approved by the Majority Lenders, then each such amount shall be reduced by any operating disbursements related to each such line item projected for the previous Testing Period in the Budget for the previous Testing Period and not expended during the previous Testing Period), in each case, to be greater than 115% of the amounts set forth for such line items in the Budget for such Testing Period; provided that, for purposes of calculating variance pursuant to clause (i), professional fees and expenses and fees and expenses of the Administrative Agent and the Lenders shall not be counted toward Total Operating Disbursements.

(b) Liquidity. (i) The Borrower shall not permit the 4-week Rolling Average Liquidity to be less than $50,000,000 at any time and (ii) the Borrower shall not permit Liquidity to be less than $35,000,000 as of the close of business on any day.

11.12 Transactions with Affiliates. The Borrower will not, and will not permit any of the Subsidiaries to conduct, any transaction with any of its Affiliates (other than the Borrower and the Guarantors or any entity that becomes a Guarantor as a result of such transaction) other than (a) transactions or arrangements in place as of the Petition Date (including contractual obligations in place at such time) and set forth on Schedule 11.12, (b) those approved by the Bankruptcy Court pursuant to an order in form and substance reasonably satisfactory to the Administrative Agent and the Majority Lenders or (c) to the extent such transactions are upon fair and reasonable terms no less favorable to the Borrower or such Guarantor than it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate.

11.13 Change in Business. The Borrower and its Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business of Industry Investments by the Borrower and its Subsidiaries and other business activities incidental or reasonably related to any of the foregoing.

11.14 Use of Proceeds.

(a) The Borrower shall not request any Borrowing, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use the proceeds of any Borrowing (i) to make any payment or prepayment that is prohibited under this Agreement, including any payment or prepayment in respect of Prepetition Indebtedness to the extent prohibited hereunder (other than, for the avoidance of doubt, the repayment of the Prepetition RBL Obligations), (ii) to make any payment in settlement of any claim, action or proceeding, before any court, arbitrator or other governmental body, (iii) in furtherance of an offer, payment, promise to pay, or

authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (iv) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (v) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, use the proceeds of any Loans whether directly or indirectly, (i) to challenge the validity, perfection, priority, extent or enforceability of the Obligations or Prepetition FLMO Obligations, (ii) to investigate or assert any other claims or causes of action against the Administrative Agent, any other agent or any Lender, or any agent or any lender under the Prepetition FLMO Credit Agreement except as agreed by the Majority Lenders and provided in the Interim Order and the Final Order with respect to any investigation regarding the Prepetition FLMO Credit Agreement or (iii) for any act which has the effect of materially or adversely modifying or compromising the rights and remedies of the Administrative Agent or the Lenders or the lenders or administrative agent with respect to the Prepetition FLMO Credit Agreement.

(c) The Borrower will not, and will not permit any of its Subsidiaries to, use the proceeds of any Loans, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

11.15 [Reserved].

11.16 Limitation on New Subsidiaries. The Borrower will not, nor will it permit any of its Subsidiaries to, form, create or acquire any new Subsidiary after the Closing Date.

11.17 Superpriority Claims. The Borrower will not, nor will it permit any of its Subsidiaries to, create or permit to exist any Superpriority Claim other than Superpriority Claims permitted by the DIP Order (including the Carve Out).

ARTICLE XII
EVENTS OF DEFAULT

12.1 Events of Default. Any of the following events shall constitute an event of default (each, an "Event of Default"):

(a) (i) the Borrower shall default in the payment when due of any principal of the Loans or (ii) the Borrower shall default in the payment when due of any interest on the Loans or any fees or of any other amounts owing hereunder or under any other Credit Document and, in the case of this clause (ii), such default shall continue for five or more days;

(b) any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made;

(c) any Credit Party shall default in the due performance or observance by it of any term, covenant or agreement contained in (i) Section 10.1(d)(ii) or 10.1(i) and such default shall continue for five or more days and (ii) Section 10.1(e)(i), 10.5 (solely with respect to the Borrower), 10.11 or ARTICLE XI;

(d) any Credit Party shall default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 12.1(a), 12.1(b) or 12.1(c)) contained in this Agreement or any Security Document and such default shall continue unremedied for a period of at least 30 days after receipt of written notice thereof by the Borrower from the Administrative Agent;

(e) (i) the Borrower or any of the Subsidiaries shall default in any payment with respect to the Senior DIP Facility or any other Indebtedness (other than Indebtedness described in Section 12.1(a)) or Hedge Obligations in excess of $5,000,000, beyond the grace period, if any, provided in the instrument or agreement under which such Indebtedness or Hedge Obligation was created, (ii) the Borrower or any of the Subsidiaries shall be in breach or default of any other term under the documentation governing any Indebtedness or Hedge Obligations referred to in clause (i) if the effect of such breach or default is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) or the counterparty or counterparties in respect of such Hedge Obligations to cause (in each case, with the giving of notice, the passage of time or both), such Indebtedness or Hedge Obligations to become or be declared due and payable, or to be required to be prepaid, defeased or redeemed, prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be or (iii) any Indebtedness or Hedge Obligations referred to in clause (i) shall be declared to be due and payable, or shall be required to be prepaid, defeased or redeemed other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, (A) with respect to any Hedge Obligations, other than due to a termination event or equivalent event pursuant to the terms of the related Hedge Agreements and (B) other than secured Indebtedness that becomes due as a result of a Disposition (including as a result of Casualty Event) of the property or assets securing such Indebtedness permitted under this Agreement), prior to the stated maturity thereof; provided that clauses (ii) and (iii) shall not apply to any Indebtedness of any Debtor that was incurred prior to the Petition Date so long as the remedies under such Indebtedness are subject to the automatic stay applicable under Section 362 of the Bankruptcy Code;

(f) (i) any Plan shall fail to satisfy the minimum funding standard required for any plan year or part thereof or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code; any Plan or Multiemployer Plan is or shall have been terminated or is the subject of termination proceedings under ERISA (including the giving of written notice thereof); an event shall have occurred or a condition shall exist in either case entitling the PBGC to terminate any Plan or to appoint a trustee to administer any Plan (including the giving of written notice thereof); the Borrower or any ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan or a Multiemployer Plan under Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 or of ERISA or Section 4971 or 4975 of the Code (including the giving of written notice thereof); (ii) there results from any event or events set forth in clause (a) of this Section 12.1(f) the imposition of a lien, the granting of a security interest, or a liability; and (iii) such lien, security interest or liability would be reasonably likely to have a Material Adverse Effect;

(g) the Guarantee or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof and thereof) or any Guarantor or any other Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under the Guarantee;

(h) any Security Document pursuant to which the assets of the Borrower or any Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof) or any grantor thereunder or any other Credit Party shall deny or disaffirm in writing any grantor's obligations under such Security Document;

(i) one or more monetary judgments or decrees as to post-Petition Date liability or debt shall be entered against the Borrower or any of the Subsidiaries involving a liability of $5,000,000 or more in the aggregate for all such judgments and decrees for the Borrower and the Subsidiaries (to the extent not

paid or covered by insurance provided by a carrier not disputing coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days after the entry thereof;

(j) a Change of Control shall occur (other than a Change of Control triggered in connection with a plan or sale approved by the Majority Lenders);

(k) [Reserved];

(l) the entry of an order dismissing the Chapter 11 Cases or converting the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(m) the entry of an order appointing a chapter 11 trustee in the Chapter 11 Cases;

(n) the entry of an order in the Chapter 11 Cases appointing an examiner having expanded powers (beyond those set forth under Sections 1106(a)(3) and (4) of the Bankruptcy Code);

(o) the filing of any pleading by any Credit Party seeking, or otherwise consenting to, any of the matters set forth in clauses (l) through ☒(n) above, or a Credit Party shall support or fail to promptly oppose any other party's application for entry of such order;

(p) the entry of the Final Order shall not have occurred by the Final Order Entry Deadline, or there shall be a breach by any Credit Party of any material provisions of the Interim Order (prior to entry of the Final Order) or the Final Order, or the Interim Order (prior to entry of the Final Order) or Final Order shall cease to be in full force and effect or shall have been reversed, modified, amended, stayed, vacated or subject to stay pending appeal, in the case of any modification or amendment in any respect, without the prior written consent of the Majority Lenders in their sole discretion (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, the Administrative Agent);

(q) the entry of an order in the Chapter 11 Cases charging any of the Collateral under Section 506(c) of the Bankruptcy Code against the Lenders under which any person takes action against the Collateral or that becomes a final non-appealable order, or the commencement of other actions that is materially adverse to the Administrative Agent, the Lenders or their respective rights and remedies under the Facility in any of the Chapter 11 Cases or inconsistent with the Credit Documents;

(r) the entry of an order granting relief from any stay of proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed with foreclosure (or granting of a deed in lieu of foreclosure) against assets with an aggregate value in excess of $1,000,000;

(s) the entry of any post-petition judgment against any Credit Party in excess of $1,000,000;

(t) the payment of any prepetition claims (other than as permitted by the Interim Order, the Final Order or pursuant to an order entered in the Chapter 11 Cases that is supported by the Majority Lenders and in each case as reflected in the Budget (subject to permitted variances));

(u) any Lien securing or Superpriority Claim in respect of the Obligations shall cease to be valid, perfected (if applicable) and enforceable in all respects or to have the priority granted under the Interim Order and the Final Order, as applicable;

(v) the existence of any claims or charges, or the entry of any order of the Bankruptcy Court authorizing any claims or charges, other than in respect of the Junior DIP Facility and the Senior DIP Facility, entitled to superpriority under Section 364(c)(1) of the Bankruptcy Code pari passu or senior to the Junior DIP Facility, or there shall arise or be granted by the Bankruptcy Court (i) any claim having priority over any or all administrative expenses of the kind specified in clause (b) of Section 503 or clause (b) of Section 507 of the Bankruptcy Code (other than the Carve Out) or (ii) any Lien on the Collateral having a priority senior to or pari passu with the Liens and security interests granted herein, except for the Senior DIP Facility or as expressly provided in the Interim Order or the Final Order (but only in the event specifically consented to by the Majority Lenders), whichever is in effect;

(w) the Borrower or any other Credit Party shall obtain court authorization to commence, or shall commence, join in, assist or otherwise participate as an adverse party in any suit or other proceeding against the Administrative Agent or any of the Lenders relating to the Junior DIP Facility, the DIP Order or the administrative agent or any of the lenders under the Prepetition FLMO Credit Agreement;

(x) failure to satisfy any of the Milestones in accordance with the terms relating to such Milestone;

(y) after the entry thereof by the Bankruptcy Court, the Confirmation Order shall cease to be in full force and effect, or any Credit Party shall fail to satisfy in full all obligations under the Junior DIP Facility or fail to comply in any material respect with the Confirmation Order, or the Confirmation Order shall have been revoked, remanded, vacated, reversed, rescinded or, without the reasonable consent of the Majority Lenders (and with respect to those provisions thereof that affect the rights and duties of the Administrative Agent, the Administrative Agent), modified or amended;

(z) except as otherwise consented to by the Majority Lenders, the Borrower or any other Credit Party shall have sold or otherwise disposed or all or a material portion of the Collateral pursuant to Section 364 of the Bankruptcy Code other than as permitted pursuant to a plan of reorganization or bid procedures in form and substance satisfactory to the Majority Lenders that contemplate Payment in Full upon consummation of such sale or other disposition;

(aa) any Credit Party shall (i) contest or support a challenge to the validity or enforceability of any Credit Document or any credit document in respect of the Prepetition FLMO Credit Agreement or deny that it has any further liability thereunder or (ii) contest or support a challenge to the validity or perfection of the Liens and security interests securing the Obligations or the Prepetition FLMO Obligations;

(bb) any termination or modification of the exclusivity periods (other than any extension) set forth in Section 1121 of the Bankruptcy Code;

(cc) any payment of or grant of adequate protection with respect to any Prepetition Indebtedness (other than as expressly set forth in the DIP Order) without the consent of the Majority Lenders and approval of the Bankruptcy Court;

(dd) an order shall have been entered by the Bankruptcy Court avoiding or requiring disgorgement by the Administrative Agent or any of the Lenders of any amounts received in respect of the Obligations;

(ee) the Credit Parties shall lose the ability to (i) utilize the gas processing and other services or (ii) purchase power or other commodities, in each case, as provided for in the Elk Hills Power Agreements;

(ff) unless otherwise approved by the Administrative Agent and the Majority Lenders, an order of the Bankruptcy Court shall be entered providing for a change in venue with respect to the Chapter 11 Cases and such order shall not be reversed or vacated within ten (10) days;

(gg) a change in the date and amount fixed for class C distributions pursuant to the Elk Hills Power Agreements (without giving effect to the exercise of rights under any ipso facto provision);

(hh) a change in the composition of the board of Elk Hills Power, LLC; or

(ii) the termination or rejection of any Elk Hills Power Agreement without the consent of the Majority Lenders.

12.2 Remedies.

(a) In every such event described in Section 12.1, and at any time thereafter, if any Event of Default shall then be continuing, subject to any remedies notice period in the DIP Order, the Administrative Agent, upon the written request of the Majority Lenders, shall (notwithstanding the provisions of Section 362 of the Bankruptcy Code and without application or motion to, or order from, the Bankruptcy Court but subject to any notice requirements set forth in the DIP Order), by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower or any other Credit Party, except as otherwise specifically provided for in this Agreement: declare the principal of and any accrued interest and fees in respect of any or all Loans and any or all Obligations owing hereunder and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. In addition, after the occurrence and during the continuance of an Event of Default and subject to any remedies notice period in the DIP Order, the Administrative Agent and the Lenders will have all other rights and remedies available at law and equity.

(b) Subject to the terms of the DIP Order, any amount received by the Administrative Agent from any Credit Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement shall be applied:

(i) first, to payment or reimbursement of that portion of the Obligations constituting fees, expenses, indemnities, and any other amounts payable to the Administrative Agent in its capacity as such;

(ii) second, *pro rata* to payment or reimbursement of that portion of the Obligations constituting fees, premiums, expenses and indemnities payable to each Lender in its capacity as such;

(iii) third, *pro rata* to payment of Obligations constituting accrued and unpaid interest on the Loans due and owing to the Lenders;

(iv) fourth, *pro rata* to the payment of Obligations constituting the principal amount of the Loans outstanding;

(v) fifth, *pro rata* to any other Obligations then due and owing to Lenders; and

(vi) sixth, any surplus then remaining, after all of the Obligations then due shall have been indefeasibly paid in full in cash, shall be paid to the Borrower or its successors or assigns or to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may award.

(c) [Reserved].

(d) Unless until the Obligations described in clauses first through fifth of Section 12.2(b) are indefeasibly paid in full and in cash in accordance with such priorities, any Collateral, proceeds thereof or other amount received by Lenders on account of or in satisfaction of its Obligations shall be segregated and held in trust f the benefit of, and promptly turned over to, the Administrative Agent along with all necessary endorsements and the Administrative Agent shall apply such Collateral, proceeds or other amounts in accordance with Section 12.2(b).

ARTICLE XIII
THE ADMINISTRATIVE AGENT

13.1 Appointment.

(a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the administrative agent of such Lender under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Article XIII (other than Section 13.10 with respect to the Borrower) are solely for the benefit of the Administrative Agent and the Lenders, and the Borrower shall not have rights as third party beneficiary of any such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent.

(b) The Administrative Agent shall also act as the "collateral agent" under the Credit Documents, and each of the Secured Parties hereby irrevocably appoints and authorizes the Administrative Agent to act as the collateral agent of such Secured Party for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Obligations, together with such powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Secured Parties hereby expressly authorize the Administrative Agent to (i) execute any and all documents with respect to the Collateral and the rights of the Secured Parties with respect thereto (including any release, amendment, supplement, modification or joinder with respect thereto), as expressly set forth in this Agreement and the Security Documents and acknowledge and agree that any such action by the Administrative Agent shall bind the Secured Parties and (ii) pursuant to the direction of the Majority Lenders, negotiate, enforce or settle any claim, action or proceeding affecting the Secured Parties in their capacity as such, which negotiation, enforcement or settlement will be binding upon each Secured Party. In addition, to the extent required under the laws of any jurisdiction other than within the United States, each Secured Party hereby grants to the Administrative Agent any required powers of attorney to execute and enforce any Security Document governed by the laws of such jurisdiction.

(c) Notwithstanding any provision to the contrary elsewhere in this Agreement, the duties of the Administrative Agent shall be mechanical and administrative in nature, and the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent, regardless of whether a Default or Event of Default has occurred and is continuing. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Credit Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties.

13.2 Delegation of Duties. The Administrative Agent may perform any of its duties and exercise its rights and powers under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties, rights and powers. Any such agents, sub-agents, employees or attorneys-in-fact shall be entitled to all such protections set forth in this Article XIII. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents, sub-agents or attorneys-in-fact selected by it except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such agents, sub-agents and attorneys-in-fact.

13.3 Exculpatory Provisions.

(a) Neither the Administrative Agent nor any of its Related Parties shall:

(i) be liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person's own gross negligence or willful misconduct, as determined in the final, non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein (IT BEING THE INTENTION OF THE PARTIES HERETO THAT THE ADMINISTRATIVE AGENT AND ANY RELATED PARTIES SHALL, IN ALL CASES, BE INDEMNIFIED FOR ITS ORDINARY, COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE)) or

(ii) be responsible or liable to any of the Lenders or any participant for, or have any duty to ascertain or inquire into, or inspect or monitor in any manner (i) any recitals, statements, representations or warranties made by any of the Borrower, any other Credit Party, any officer thereof, or any other Person contained in this Agreement or any other Credit Document, (ii) the contents of any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Credit Document, (iii) the observance or performance of any of the covenants, agreements, or other terms or conditions contained in this Agreement or any other Credit Document, the use of the proceeds of the Loans, or the occurrence of any Default or Event of Default, (iv) the execution, value, validity, effectiveness, genuineness, enforceability, collectibility, or sufficiency of this Agreement or any other Credit Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), or the creation, perfection, maintenance or continuation of perfection, or priority of any Lien or security interest created or purported to be created under the Security Documents, (v) the value or the sufficiency of any Collateral, (vi) whether the Collateral exists, is owned by the Borrower or any other Credit Party, is cared for, protected, or insured or has been encumbered, or meets the eligibility criteria applicable in respect thereof, (vii) the

satisfaction of any condition set forth in Article VII and VIII or elsewhere, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, or (viii) the properties, books, records, financial condition or business affairs of any Credit Party or any other Person; or

(iii) have any liability arising from confirmations of the amount of outstanding Loans or any component amounts thereof.

(b) For the avoidance of doubt, and without limiting the other protections set forth in this Article XIII, with respect to any determination, designation, or judgment to be made by the Administrative Agent herein or in the other Credit Documents, the Administrative Agent shall be entitled to request that the Majority Lenders (or such other number or percentage of Lenders as is required under the Credit Documents) make or confirm such determination, designation, or judgment.

(c) Nothing in this Agreement or any other Credit Document shall require the Administrative Agent or its Related Parties to expend or risk their own funds or otherwise incur any financial liability in the performance of any duties or in the exercise of any rights or powers hereunder.

13.4 Reliance. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, request, instrument, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or instruction believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat any Person specified in the Register and the Exit Premium Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written Assignment and Acceptance or Exit Premium Assignment and Acceptance thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Majority Lenders (or such other number or percentage of Lenders as is required under the Credit Documents) as it deems appropriate; provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may (i) expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable law or (ii) be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency, reorganization, or relief of debtors; provided, further, that if the Administrative Agent so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such directed action; provided, further, that the Administrative Agent may seek clarification or further direction from the Majority Lenders (or such other number or percentage of Lenders as is required under the Credit Documents) prior to taking any such directed action and may refrain from acting until such clarification or further direction has been provided. The Administrative Agent, shall in all cases, have no liability for acting, or in refraining from acting, and shall be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Majority Lenders (or such other number or percentage of Lenders as is required under the Credit Documents), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans and the Exit Premium. For purposes of determining compliance with the conditions specified in Article VI and Article VIII on the Closing Date, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto. No holder of any portion of the Exit Premium shall have any right in such capacity to notice of any action or to consent to, direct or object to any action under any Credit Document or otherwise in respect of the Collateral (including the release of any Collateral).

13.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders. Subject to Section 13.4, the Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Majority Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

13.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its Related Parties has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Borrower or any other Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or its Related Parties to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent, any other Lender, or any of their respective Related Parties and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and each other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, any other Lender, or any of their respective Related Parties, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower and any other Credit Party. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of the Borrower or any other Credit Party that may come into the possession of the Administrative Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates. Each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement, the other Credit Documents, or the Transactions contemplated hereby.

13.7 Lender Direction. Each Lender authorizes and directs the Administrative Agent to enter into, and agrees to be bound by, this Agreement, the Security Documents, and the other Credit Documents. Each Lender hereby acknowledges and agrees that (x) the foregoing instructed actions constitute an instruction from all the Lenders under this Article XIII and (y) this Article XIII and Section 14.5 and any other rights, privileges, protections, immunities, and indemnities in favor of the Administrative Agent hereunder apply to any and all actions taken or not taken by the Administrative Agent in accordance with such instruction. Each Lender agrees that any action taken by the Administrative Agent in accordance with the terms of this Agreement or the other Credit Documents relating to the Collateral and the exercise by the Administrative Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

13.8 Lender Reimbursement and Indemnification. The Lenders agree to pay and reimburse to and indemnify the Administrative Agent and its Related Parties in their capacities as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably

according to their respective portions of the Commitments or Loans, as applicable, outstanding in effect on the date on which payment is sought (or, if payment is sought after Payment in Full, ratably in accordance with their respective portions of the Loans in effect immediately prior to such date), from and against any and all Liabilities, Proceedings, and related costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent or its Related Parties in any way relating to or arising out of the Commitments, the Loans, the Exit Premium, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (including the Transactions) or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable to the Administrative Agent for the payment of any portion of such Liabilities or related costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction; provided, further, that no action taken or not taken in accordance with the directions of the Majority Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 13.8. In the case of any Proceeding giving rise to any Liabilities or related costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans), this Section 13.8 applies whether any Proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower; provided that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto. If any payment furnished to the Administrative Agent for any purpose shall, in the opinion of the Administrative Agent, be insufficient or become impaired, the Administrative Agent may call for additional payments and cease, or not commence, to do the acts in question until such additional payment is furnished; provided that in no event shall this sentence require any Lender to make payments to the Administrative Agent in connection with any Liability or related cost, expense or disbursement in excess of such Lender's *pro rata* portion thereof; provided, further, this sentence shall not be deemed to require any Lender to make payments to the Administrative Agent in connection with any Liability or related cost, expense or disbursement resulting from the Administrative Agent's gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction; provided, further, that no action taken or not taken in accordance with the directions of the Majority Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct. This Section 13.8 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

13.9 Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower and any other Credit Party as though the Administrative Agent were not the Administrative Agent hereunder and under the other Credit Documents. With respect to any Loans made by it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

13.10 Successor Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Default under Section 12.1(a) is continuing, to appoint a successor. If, in the case of the resignation of the Administrative Agent, no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the Administrative Agent gives notice of its resignation, then the Administrative Agent may on behalf of the Lenders appoint a successor Administrative Agent; provided that if no successor has been appointed and has accepted such appointment within 30 days after the Administrative Agent gives notice of its resignation, then the Administrative Agent shall notify the Borrower and the Lenders that no successor has been appointed and accepted such appointment and such resignation shall nonetheless become effective in accordance with such notice and (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents and (ii) all payments, communications and determinations provided to be made by, to or through the retiring Administrative Agent shall instead be made by or to each Lender directly, until such time as the Majority Lenders appoint a successor Administrative Agent as provided for above in this Section 13.10.

(b) Upon the acceptance of such successor's appointment as the Administrative Agent hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Majority Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower (following the effectiveness of such appointment) to the successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Credit Documents, the provisions of this Article XIII (including Section 13.8) and Section 14.5 and all other rights, privileges, protections, immunities, and indemnities granted to the Administrative Agent hereunder shall continue in effect for the benefit of such retiring Administrative Agent and its agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

13.11 Withholding Tax. To the extent required by any applicable Requirement of Law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Credit Party and without limiting the obligation of any applicable Credit Party to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including penalties, additions to Tax and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due to the Administrative Agent under this Section 13.11.

13.12 Security Documents and Guarantee. Each Secured Party hereby further authorizes the Administrative Agent, on behalf of and for the benefit of Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Collateral and the Security Documents. Subject to Section 14.1 and 14.17, without further written consent or authorization from any Secured Party, the Administrative Agent may (a) execute any documents or instruments necessary in connection with a Disposition of assets permitted by this Agreement, (b) release any Lien encumbering any item of Collateral that is the subject of such Disposition of assets or with respect to which Majority Lenders (or such other Lenders as may be required to give such consent under Section 14.1) have otherwise consented or (c) release any Guarantor from the Guarantee with respect to which Majority Lenders (or such other Lenders as may be required to give such consent under Section 14.1) have otherwise consented.

13.13 Right to Realize on Collateral and Enforce Guarantee. Anything contained in any of the Credit Documents to the contrary notwithstanding, the Borrower, the Administrative Agent and each Secured Party hereby agree that (a) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee; it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights and remedies under the Security Documents may be exercised solely by the Administrative Agent, and (b) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Majority Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale or other disposition.

13.14 Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements, advances, and indemnities of the Lenders and the Administrative Agent and their respective Related Parties, to the extent due under Section 5.4, Article XIII, or Section 14.5) allowed in such proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements, advances, and indemnities of the Administrative Agent and its Related Parties, to the extent due under Section 5.4, Article XIII, or Section 14.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Indebtedness or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

13.15 Credit Bidding. The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Majority Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Credit Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Majority Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Majority Lenders or their permitted assignees or designees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Majority Lenders contained in Section 14.1 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid. For the avoidance of doubt, in connection with any credit bid, the Administrative Agent shall be entitled to all rights, privileges, protections, immunities, and indemnities

afforded to the Administrative Agent under this Agreement and the other Credit Documents. The Administrative Agent shall not be required to take title to any Collateral in its own name without its prior written consent.

13.16 ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless Section (a)(i) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in Section (a)(iv), such Lender further (i) represents and warrants, as of the date such Person became a Lender party hereto, to, and (ii) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that none of the Administrative Agent nor any of its Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related to hereto or thereto).

(c) The Administrative Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments

with respect to the Loans, the Commitments, this Agreement and any other Credit Documents (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Credit Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

13.17 Posting of Communications.

(a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Closing Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there are confidentiality and other risks associated with such distribution. Each of the Lenders and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) The Borrower acknowledges that (a) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive information of a type that would constitute material non-public information with respect to the Borrower or its securities) (each, a "Public Lender"). The Borrower agrees that (w) at the request of the Administrative Agent, Communications that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Communications "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Communications as not containing any information of a type that would constitute material non-public information with respect to the Borrower or its securities for purposes of United States federal securities laws (provided, however, that to the extent such Communications constitute Confidential Information, they shall be treated as such as set forth in Section 14.16); (y) all Communications marked "PUBLIC" are permitted to be made available through a portion of the Approved Electronic Platform designated as "Public Investor;" and (z) the Administrative Agent shall be entitled to treat any Communications that are not marked "PUBLIC" as being suitable only for posting on a portion of the Approved Electronic Platform not marked as "Public Investor." Notwithstanding the foregoing, the following Communications shall be deemed "PUBLIC," unless the Borrower notifies the Administrative Agent promptly in writing that any such document contains material non-public information: (1) the Credit Documents, and (2) notification of changes in the terms of the Loans.

(d) Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Approved Electronic Platform in order to enable such Public Lender or its

delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to Communications that are not made available through the "Public Side Information" portion of the Approved Electronic Platform and that may contain information of a type that would constitute material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws. In the event that any Public Lender has elected for itself to not access any information disclosed through the Approved Electronic Platform or otherwise, such Public Lender acknowledges that (i) the Administrative Agent and other Lenders may have access to such information and (ii) neither the Borrower nor the Administrative Agent or other Lender with access to such information shall have (x) any responsibility for such Public Lender's decision to limit the scope of information it has obtained in connection with this Agreement and the other Credit Documents or (y) any duty to disclose such information to such electing Lender or to use such information on behalf of such electing Lender, and shall not be liable for the failure to so disclose or use such information.

(e) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE ADMINISTRATIVE AGENT AND ITS RELATED PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES HAVE ANY LIABILITY TO ANY CREDIT PARTY, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY CREDIT PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

(f) Each Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(g) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies and, to the extent such Communications constitute Confidential Information, in accordance with Section 14.16.

(h) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

13.18 Survival. The agreements in this Article XIII shall survive the resignation or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments, the repayment, satisfaction or discharge of all Obligations under any Credit Document, and the termination of this Agreement.

ARTICLE XIV
MISCELLANEOUS

14.1 Amendments, Waivers and Releases. Except as expressly set forth in this Agreement (including, for the avoidance of doubt, Section 2.17), neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of this Section 14.1. The Majority Lenders may (with an executed copy thereof delivered to the Administrative Agent), or, with the written consent of the Majority Lenders, the Administrative Agent shall, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive in writing, on such terms and conditions as the Majority Lenders or the Administrative Agent (at the direction of the Majority Lenders) may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that no such waiver and no such amendment, supplement or modification shall (i) forgive or reduce any portion of any Loan or reduce the stated rate (it being understood that only the consent of the Majority Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the Default Rate or amend Section 2.8(e)), or forgive any portion, or extend the date for the payment, of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the Maturity Date or the final expiration date of any Lender's Commitment, or increase the amount of the Commitment of any Lender, or make any Loan, interest, fee or other amount payable in any currency other than Dollars, in each case without the written consent of each Lender directly and adversely affected thereby, or (ii) amend, modify or waive any provision of this Section 14.1, or amend or modify any of the provisions of Section 14.8(a) to the extent it would alter the ratable allocation of payments thereunder, or reduce the percentages specified in the definition of the term "Majority Lenders", consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 11.3) or alter the order of application set forth in Section 12.2 or modify any definition used in such final paragraph if the effect thereof would be to alter the order of payment specified therein, in each case without the written consent of each Lender directly and adversely affected thereby, or (iii) amend, modify or waive any provision of Article XIII without the written consent of the then-current Administrative Agent or any other former Administrative Agent to whom Article XIII then applies in a manner that directly and adversely affects such Person, or (iv) amend, modify or waive any provision of the Administrative Agent Fee Letter without the consent of the Administrative Agent and Borrower, or (v) [reserved], or (vi) release all or substantially all of the value of the guarantees made by the Guarantors under the Guarantee (except as expressly permitted by the Guarantee or this Agreement) without the prior written consent of each Lender, or (vii) release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents or this Agreement) without the prior written consent of each Lender, or (viii) amend Section 2.9 so as to permit Interest Period intervals greater than one month without regard to availability to Lenders, without the written consent of each Lender directly and adversely affected thereby, or (ix) affect the rights or duties of, or any fees or other amounts payable to the Administrative Agent under this Agreement or any other Credit Document without the prior written consent of the Administrative Agent, or (x) amend, modify or

waive any provision of ARTICLE VII or ARTICLE VIII without the written consent of each Lender; (1) any provision of this Agreement or any other Credit Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency so long as, in each case, the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Majority Lenders stating that the Majority Lenders object to such amendment, and (2) this Agreement may be amended by an agreement in writing entered into by the Administrative Agent (at the direction of the Majority Lenders, which direction may be in the form of e-mail) and the Borrower to attach an exhibit hereto constituting a form of Exit Premium Assignment and Acceptance that is reasonably acceptable to the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Borrower, the Lenders, the Administrative Agent and all future holders of the Loans and the Exit Premium. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

14.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, as follows:

(a) if to the Borrower or the Administrative Agent, to the address, facsimile number or electronic mail address specified for such Person on Schedule 14.2 or to such other address, facsimile number or electronic mail address as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number or electronic mail address specified in its Administrative Questionnaire or to such other address, facsimile number or electronic mail address as shall be designated by such party in a notice to the Borrower and the Administrative Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii)(A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three (3) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

14.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Requirements of Law.

14.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

14.5 Payment of Expenses; Limitation of Liability; Indemnification.

(a) Expenses. The Borrower agrees (i) to pay or reimburse the Administrative Agent and each Lender for all of their reasonable and documented out-of-pocket costs and expenses (with respect to attorney costs, limited to reasonable fees, disbursements and other charges of one primary counsel and a single local counsel in each relevant jurisdiction to the Administrative Agent and one separate primary counsel and a single local counsel in each relevant jurisdiction to the Lenders taken as a whole) incurred in connection with the preparation, negotiation, execution, delivery and administration of, and any amendment, waiver, supplement, consent or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of Ropes & Gray LLP (as counsel to the Administrative Agent) and the Ad Hoc Term Lender Group Advisors, (ii) to pay or reimburse the Administrative Agent and each Lender for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of Ropes & Gray LLP (as counsel to the Administrative Agent) and the Ad Hoc Term Lender Group Advisors, and (iii) to pay or reimburse each Lender and the Administrative Agent for any and all recording and filing fees.

(b) Limitation of Liability. To the extent permitted by applicable law no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof; provided that, nothing in this Section 14.5(b) shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee, as provided in Section 14.5(c), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) Indemnity. The Borrower shall indemnify the Administrative Agent, each Lender and their respective Related Parties (each such Person being called an "Indemnitee") from and against any and all Liabilities or Proceedings and related costs, expenses or disbursements of any kind or nature whatsoever, whether or not such Proceedings are brought by the Borrower, any of its Related Parties or any other third Person (with respect to attorney costs, limited to the reasonable and documented fees, disbursements and other charges of (i) one primary counsel for the Administrative Agent and its Related Parties and a single local counsel in each relevant jurisdiction and any special counsel reasonably deemed necessary by the Administrative Agent and (ii) one primary counsel for all such other Persons, taken as a whole, and, if necessary, of a single firm of local counsel in each appropriate jurisdiction for all such Persons, taken as a whole (unless there is an actual or perceived conflict of interest in which case each such Person may, with the consent of the Borrower (not to be unreasonably withheld or delayed) retain its own counsel)), with respect to Commitments, the Loans, the Exit Premium, the Chapter 11 Cases, the Transactions or the execution, delivery, enforcement, performance and administration of this Agreement, the other Credit Documents and any such other documents, including, without limitation, any of the foregoing relating to the violation of, noncompliance with or liability under, any applicable Environmental Law (other than by such indemnified person or any of its Related Parties (other than any trustee or advisor)) or to any actual or alleged presence, release or threatened release of Hazardous Materials involving or attributable to the operations of the Borrower, any of its Subsidiaries or any of the Oil and Gas Properties (all the foregoing in

this clause (c), collectively, the "Indemnified Liabilities"); provided that the Borrower shall have no obligation hereunder to the Indemnitees with respect to Indemnified Liabilities to the extent it has been determined by a final non-appealable judgment of a court of competent jurisdiction to have resulted from (i) the gross negligence or willful misconduct of such Indemnitee (IT BEING THE INTENTION OF THE PARTIES HERETO THAT EACH INDEMNITEE SHALL, IN ALL CASES, BE INDEMNIFIED FOR ITS ORDINARY COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE) or (ii) Proceedings not arising from any act or omission by the Borrower or its Affiliates, brought by an Indemnitee against any other Indemnitee (other than Proceedings involving claims against the Administrative Agent or any of its Related Parties in its capacity as such). This Section 14.5(c) shall not apply with respect to any claims for Taxes which shall be governed exclusively by Section 5.4 and, to the extent set forth therein, Sections 2.10 and 3.5.

(d) Payments. All amounts payable under this Section 14.5 shall be paid within 10 Business Days of receipt by the Borrower of an invoice relating thereto setting forth such expense in reasonable detail.

(e) Survival. The agreements in this Section 14.5 shall survive the resignation or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments, the termination of this Agreement and the payment, satisfaction, or discharge of all Obligations under any Credit Document.

14.6 Successors and Assigns; Participations and Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) except as expressly permitted by Section 11.3, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 14.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in clause (c) of this Section 14.6) and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below, any Lender may at any time assign to one or more assignees (other than the Borrower, its Subsidiaries, their Affiliates, or any natural person) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not be unreasonably withheld or delayed) of the Administrative Agent; provided that no consent of the Administrative Agent shall be required for assignments in respect of (1) the Junior DIP Facility if such assignment is (A) by the Fronting Lender or (B) to a Person that is a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (2) all or any portion of a Lender's interests in and rights to receive the Exit Premium.

(ii) Assignments of Commitments and Loans shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with

respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 and increments of $1,000,000 in excess thereof; provided that contemporaneous assignments to a single assignee made by Affiliates of Lenders and related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above;

(B) except as provided in clause (g) of this Section 14.6, each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee in the amount of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; provided, further, that such processing and recordation fee shall be waived in the case of any assignment made by (1) the Fronting Lender or (2) any Person that was either (x) an immediate assignee of the Fronting Lender or (y) a Lender (other than the Fronting Lender) as of the Closing Date (the foregoing Persons described in this clauses (x) and (y), each, a "Closing Date Lender") to an Affiliate of such Closing Date Lender or an Approved Fund of such Closing Date Lender; and

(D) the assignee, if it shall not be a Lender immediately prior to such assignment, shall deliver to the Administrative Agent an Administrative Questionnaire, and all "know your customer" documents requested by the Administrative Agent pursuant to anti-money laundering rules and regulations.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(v) of this Section 14.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 3.5, 5.4 and 14.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 14.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section 14.6.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and stated interest amounts) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Further, the Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and each other Lender (with respect to its own interest only) at any reasonable time and from time to time upon reasonable prior written notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in

clause (b)(ii)(C) of this Section 14.6 (unless waived) and any written consent to such assignment required by clause (b)(i) of this Section 14.6, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities other than the Borrower or any Subsidiary of the Borrower (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i) or (ii) of the proviso to Section 14.1 that affects such Participant, provided that the Participant shall have no right to consent to any modification to the percentages specified in the definition of the term "Majority Lenders". Subject to clause (c)(ii) of this Section 14.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 14.6, including the requirements of Section 5.4). To the extent permitted by Requirements of Law, each Participant also shall be entitled to the benefits of Section 14.8(b) as though it were a Lender; provided such Participant agrees to be subject to Section 14.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11 or 5.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld); provided that the Participant shall be subject to the provisions in Section 2.12 as if it were an assignee under clauses (a) and (b) of this Section 14.6. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and related interest amounts) of each participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section 14.6 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In order to facilitate such pledge or assignment or for any

other reason, the Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made its initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit F evidencing the Loans owing to such Lender.

(e) Subject to Section 14.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

(f) The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance or Exit Premium Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(g) Notwithstanding anything to the contrary in this Section 14.6 or any other provision of this Agreement, any Lender may assign (x) all or any portion of its Loans or Commitments without also assigning all or any portion of its interests in and rights to receive the Exit Premium and (y) all or any portion of its interests in and rights to receive the Exit Premium without also assigning all or any portion of its Loans or Commitments. The parties to each assignment of a Lender's interests in and rights to receive the Exit Premium (an "Exit Premium Assignment") shall execute and deliver to the Administrative Agent an assignment and acceptance (a "Exit Premium Assignment and Acceptance") in respect of the assigning Lender's interests in and rights to the Exit Premium in a form reasonably acceptable to the Administrative Agent, together with a processing and recordation fee in the amount of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any Exit Premium Assignment; provided, further, that such processing and recordation fee shall be waived in the case of any Exit Premium Assignment made by any Closing Date Lender to an Affiliate of such Closing Date Lender or an Approved Fund of such Closing Date Lender. The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Exit Premium Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Persons holding the interests in and rights to the Exit Premium pursuant to the terms of Section 4.1(c) from time to time (the "Exit Premium Register"). Further, the Exit Premium Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Exit Premium Register shall be conclusive absent manifest error. Upon its receipt of (i) a duly completed Exit Premium Assignment and Acceptance executed by the assignee and assignor of any portion of the Exit Premium, (ii) the assignee's completed Administrative Questionnaire and all "know your customer" documents requested by the Administrative Agent pursuant to anti-money laundering rules and regulations (unless the assignee shall already be a Lender hereunder) and (iii) the processing and recordation fee referred to in this clause (g) above (unless waived), the Administrative Agent shall accept such Exit Premium Assignment and Acceptance and record the information contained therein in the Exit Premium Register. The Exit Premium Register shall be available for inspection by the Borrower and each holder of an Exit Premium (with respect to its own interest only) at any reasonable time and from time to time upon reasonable prior written notice.

14.7 Replacements of Lenders under Certain Circumstances.

(a) The Borrower shall be permitted to replace any Lender that (i) requests reimbursement for amounts owing pursuant to Section 2.10 or 5.4 or (ii) is affected in the manner described in Section 2.10(a)(ii) and as a result thereof any of the actions described in such Section is required to be taken, in each case, with a replacement bank, lending institution or other financial institution; provided that (A) such replacement does not conflict with any Requirement of Law, (B) no Event of Default under Section 12.1(a) shall have occurred and be continuing at the time of such replacement, (C) the replacement bank or institution shall purchase, at par, all Loans and the Borrower shall pay all other amounts (other than any disputed amounts), pursuant to Section 2.10 or 5.4, as the case may be) owing to such replaced Lender prior to the date of replacement, (D) the replacement bank or institution, if not already a Lender, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Majority Lenders, (E) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 14.6(b) (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein) and (F) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) [Reserved].

(c) Notwithstanding anything herein to the contrary, each party hereto agrees that any assignment pursuant to the terms of this Section 14.7 may be effected pursuant to an Assignment and Acceptance executed by the Borrower, the Administrative Agent and the assignee and that the Lender making such assignment need not be a party thereto.

14.8 Adjustments; Set-off.

(a) If any Lender (a "Benefited Lender") shall at any time receive any payment in respect of any principal of or interest on all or part of the Loans made by it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such Benefited Lender shall (i) notify the Administrative Agent of such fact, and (ii) purchase for cash at face value from the other Lenders a participating interest in such portion of each such other Lender's Loans, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably in accordance with the aggregate principal of and accrued interest on their respective Loans and other amounts owing them; provided that (A) if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest and (B) the provisions of this paragraph shall not be construed to apply to (1) any payment made by the Borrower or any other Credit Party pursuant to and in accordance with the express terms of this Agreement and the other Credit Documents, (2) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or Commitments to any assignee or participant or (3) any disproportionate payment obtained by a Lender as a result of the extension by Lenders of the maturity date or expiration date of some but not all Loans or Commitments or any increase in the Applicable Margin in respect of Loans or Commitments of Lenders that have consented to any such extension. Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under Requirements of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Credit Party rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by Requirements of Law and notwithstanding the provisions of Section 362 of the Bankruptcy Code and without application or motion to, or order from, the Bankruptcy Court, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable Requirements of Law, upon any amount becoming due and payable by the Borrower hereunder or under any Credit Document (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower (and the Credit Parties, if applicable) and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

14.9 Counterparts; Electronic Execution. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Credit Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 14.2), certificate, request, statement, disclosure or authorization related to this Agreement, any other Credit Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Credit Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Credit Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Credit Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower and each Credit Party hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Credit Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Credit Document and/or any Ancillary Document shall have the same

legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Credit Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Credit Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Credit Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower and/or any Credit Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

14.10 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14.11 Integration. This Agreement and the other Credit Documents represent the agreement of the Borrower, the Guarantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Guarantors, the Administrative Agent nor any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

14.12 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.

14.13 Submission to Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, subject to the jurisdiction of the Bankruptcy Court, to the exclusive general jurisdiction of the courts of the State of New York, County of New York, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 14.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 14.2;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by Requirements of Law or shall limit the right to sue in any other jurisdiction;

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 14.13 any special, exemplary, punitive or consequential damages; and

(f) agrees that a final, non-appealable judgment in any action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

14.14 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between the Borrower and the other Credit Parties, on the one hand, and the Administrative Agent and the Lenders, on the other hand, and the Borrower and the other Credit Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each of the Administrative Agent and the Lenders is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary for any of the Borrower, any other Credit Parties or any of their respective Affiliates, equity holders, creditors or employees or any other Person; (iii) neither the Administrative Agent nor any Lender has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower or any other Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent or any Lender has advised or is currently advising any of the Borrower, the other Credit Parties or their respective Affiliates on other matters) and none of the Administrative Agent or any Lender has any obligation to any of the Borrower, the other Credit Parties or their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; (iv) the Borrower, the other Credit Parties and their respective Affiliates will not assert any claim based on alleged breach of fiduciary duty; (v) the Administrative Agent and its Affiliates and each Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its respective Affiliates, and none of the Administrative Agent or any Lender has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (vi) neither the Administrative Agent nor any Lender has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. The Borrower hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent with respect to any breach or alleged breach of agency or fiduciary duty; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Administrative Agent and the Lenders or among the Borrower, on the one hand, and the Administrative Agent or any Lender, on the other hand.

14.15 WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

14.16 Confidentiality. The Administrative Agent and each Lender shall hold all non-public information furnished by or on behalf of the Borrower or any of its Subsidiaries in connection with such Lender's evaluation of whether to become a Lender hereunder or obtained by such Lender or the Administrative Agent pursuant to the requirements of this Agreement ("Confidential Information"), confidential in accordance with its customary procedure for handling confidential information of this nature and in any event may make disclosure (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information, are instructed to keep such Confidential Information confidential and agree to keep such Confidential Information confidential on the same terms as provided herein) (b) as required or requested by any Governmental Authority, self-regulatory agency or representative thereof or pursuant to legal process or applicable Requirements of Law, (c) to any other party hereto, (d) to such Lender's or the Administrative Agent's attorneys, professional advisors, independent auditors, trustees or Affiliates, in each case who need to know such information in connection with the administration of the Credit Documents and are informed of the confidential nature of such information, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder (f) to an investor or prospective investor in a securitization that agrees its access to information regarding the Credit Parties, the Loans and the Credit Documents is solely for purposes of evaluating an investment in a securitization and who agrees to treat such information as confidential, (g) to a trustee, collateral manager, servicer, backup servicer, noteholder or secured party in connection with the administration, servicing and reporting on the assets serving as collateral for a securitization and who agrees to treat such information as confidential, (h) to a nationally recognized ratings agency that requires access to information regarding the Credit Parties, the Loans and Credit Documents in connection with ratings issued with respect to a securitization, (i) to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Facility, (j) subject to an agreement containing provisions substantially the same as those of this Section 14.16, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (y) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (k) with the consent of the Borrower and (l) to the extent such non-public information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower; provided that unless specifically prohibited by applicable Requirements of Law, each Lender and the Administrative Agent shall endeavor to notify the Borrower (without any liability for a failure to so notify the Borrower) of any request made to such Lender or the Administrative Agent, as applicable, by any governmental, regulatory or self-regulatory agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information; provided, further that in no event shall any Lender or the Administrative Agent be obligated or required to return any materials furnished by the Borrower or any Subsidiary. In addition, each Lender and the Administrative Agent may provide Confidential Information to prospective Transferees or to any pledgee referred to in Section 14.6 as long as such Person is advised of and agrees to be bound by the provisions of this Section 14.16 or confidentiality provisions at least as restrictive as those set forth in this Section 14.16.

14.17 Release of Collateral and Guarantee Obligations.

(a) The Lenders hereby irrevocably agree that the Liens granted to the Administrative Agent by the Credit Parties on any Collateral shall be automatically released (i) in full, as set forth in clause (b) below, (ii) upon the Disposition of such Collateral as part of a Disposition permitted hereunder to any Person other than a Subsidiary, to the extent such Disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on a certificate to that effect provided to it by the Borrower upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Majority Lenders (or such other percentage of the Lenders whose consent may be required in accordance with Section 14.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the Guarantee (in accordance with the second succeeding sentence and of the terms of the Guarantee) resulting from a transaction permitted hereunder, (vi) [reserved] and (vii) as required by the Administrative Agent to effect any Disposition of Collateral in connection with any exercise of remedies of the Administrative Agent pursuant to the Security Documents. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any Disposition, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Credit Documents. Additionally, the Lenders hereby irrevocably agree that (x) the Guarantors shall be released from the Guarantees upon consummation of any transaction permitted hereunder resulting in such Subsidiary ceasing to constitute a Subsidiary and (y) any Collateral that is Excluded Property shall be automatically released upon the written request of the Borrower to the Administrative Agent. For the avoidance of doubt, except as expressly set forth in this Agreement, the consummation of any transaction resulting in a Subsidiary ceasing to constitute a Subsidiary or that would otherwise result in the release of a Guarantor from its Guarantee is not permitted under this Agreement or any other Credit Document. The Lenders hereby authorize the Administrative Agent to execute and deliver any instruments, documents, and agreements necessary or desirable to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender. Any representation, warranty or covenant contained in any Credit Document relating to any such Collateral or Guarantor shall no longer be deemed to be repeated. Upon request by the Administrative Agent at any time, the Majority Lenders (or such other number or percentage of Lenders as is required under the Credit Documents) will confirm in writing the Administrative Agent's authority, and will direct the Administrative Agent, to release particular types or items of the Collateral pursuant to this Section 14.17 and the Administrative Agent shall be entitled to conclusively rely, and shall be fully protected in so relying, upon the authorization of the Majority Lenders (or such other number or percentage of Lenders as is required under the Credit Documents). The Credit Parties shall provide the Administrative Agent with such certifications or documents as the Administrative Agent may reasonably request in order to demonstrate that the requested release is permitted under this Section 14.17. Any such release shall be without recourse to or representation or warranty by the Administrative Agent.

(b) Notwithstanding anything to the contrary contained herein or any other Credit Document, upon a Payment in Full, upon request and at the expense of the Borrower, the Administrative Agent shall (without notice to, or vote or consent of, any Secured Party) take such actions as shall be required to release its security interest in all Collateral, and to release all obligations under any Credit Document, whether or not on the date of such release there may be any contingent or indemnification obligations not then due. Any such release of Obligations shall be deemed subject to the provision that such Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy,

dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

14.18 [Reserved].

14.19 USA PATRIOT Act. The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow the Administrative Agent and such Lender to identify each Credit Party in accordance with the Patriot Act.

14.20 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

14.21 Reinstatement. This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

14.22 Disposition of Proceeds. The Security Documents contain an assignment by the Borrower and/or the Guarantors unto and in favor of the Administrative Agent for the benefit of the Lenders of all of the Borrower's or each Guarantor's interest in and to their as-extracted collateral in the form of production and all proceeds attributable thereto which may be produced from or allocated to the Mortgaged Property. The Security Documents further provide in general for the application of such proceeds to the satisfaction of the Obligations described therein and secured thereby. Notwithstanding the assignment contained in such Security Documents, until the occurrence of an Event of Default, (a) the Administrative Agent and the Lenders agree that they will neither notify the purchaser or purchasers of such production nor take any other action to cause such proceeds to be remitted to the Administrative Agent or the Lenders, but the Lenders will instead permit such proceeds to be paid to the Borrower and its Subsidiaries and (b) the Lenders hereby authorize the Administrative Agent to take such actions as may be necessary to cause such proceeds to be paid to the Borrower and/or such Subsidiaries.

14.23 [Reserved].

14.24 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected

Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any the applicable Resolution Authority.

14.25 DIP Order. The Credit Parties, the Administrative Agent and the Lenders hereby expressly agree that in the event of any conflict between this Agreement and the DIP Order, the DIP Order shall control.

14.26 Material Non-Public Information.

(a) **EACH LENDER ACKNOWLEDGES THAT CONFIDENTIAL INFORMATION AS DEFINED IN SECTION 14.16 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE CREDIT PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.**

(b) **ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE CREDIT PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.**

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

CALIFORNIA RESOURCES CORPORATION, as the Borrower

By: /s/ Marshall D. Smith

Name: Marshall D. Smith

Title: Senior Executive Vice President and Chief Financial Officer

ALTER DOMUS PRODUCTS CORP., as Administrative Agent

By: /s/ Jon Kirschmeier
Name: Jon Kirschmeier
Title: Associate Counsel

[Signature Page to Junior DIP Credit Agreement]

[Signature Page to Junior DIP Credit Agreement]

[ ], as Lender

By: _____
Name:
Title:

[Signature Page to Junior DIP Credit Agreement]

FORM OF BUDGET

[See attached.]

Initial 13 Week Budget & Monthly DIP Forecast

July 9, 2020

PRIVILEGED AND CONFIDENTIAL
SUBJECT TO MATERIAL CHANGE
FOR DISCUSSION PURPOSES ONLY

Project Compass **Initial 13 Week Budget**

Consolidated Weekly Cash Flow
Forecast

	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	
Week	Wk-1	Wk-2	Wk-3	Wk-4	Wk-5	Wk-6	Wk-7	Wk-8	Wk-9	Wk-10	Wk-11	Wk-12	Wk-13	Wk 1 - 13
Week Ending ==>	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug	4-Sep	11-Sep	18-Sep	25-Sep	2-Oct	9-Oct	Total
Cash Inflows														
Total Receipts	**$ 7**	**$ 98**	**$ 34**	**$ 3**	**$ 7**	**$ 83**	**$ 16**	**$ 23**	**$ 3**	**$ 8**	**$ 100**	**$ 24**	**$ 3**	**$ 407**
Operating AP Payments	$ —	$ 28	$ 25	$ 16	$ 14	$ 16	$ 9	$ 12	$ 11	$ 10	$ 10	$ 10	$ 11	172
Payroll / Payroll Taxes	—	8	—	8	—	8	—	8	—	8	—	8	—	48
Elk Hills Power Capacity / Reimbursement	23	—	—	—	23	—	—	—	—	23	—	—	—	69
Other Operating Disbursements	—	50	11	7	15	—	16	6	8	—	18	3	3	137
Total Operating Disbursements	**$ 23**	**$ 86**	**$ 36**	**$ 30**	**$ 51**	**$ 24**	**$ 25**	**$ 26**	**$ 19**	**$ 42**	**$ 28**	**$ 22**	**$ 15**	**$ 427**
OPERATING CASH FLOW	**$ (17)**	**$ 13**	**$ (2)**	**$ (27)**	**$ (44)**	**$ 59**	**$ (9)**	**$ (3)**	**$ (17)**	**$ (34)**	**$ 71**	**$ 3**	**$ (12)**	**$ (19)**
Interest Expense / Fees	$ 20	$ —	$ —	$ 4	$ —	$ —	$ —	$ 6	$ —	$ —	$ —	$ 8	$ —	$ 38
Other Disbursements	31	—	2	—	3	2	5	—	—	3	9	—	8	62
Total Other Cash Flows	**$ 51**	**$ —**	**$ 2**	**$ 4**	**$ 3**	**$ 2**	**$ 5**	**$ 7**	**$ —**	**$ 3**	**$ 9**	**$ 8**	**$ 8**	**$ 100**
TOTAL DISBURSEMENTS	**$ 74**	**$ 86**	**$ 38**	**$ 34**	**$ 54**	**$ 25**	**$ 30**	**$ 32**	**$ 19**	**$ 44**	**$ 37**	**$ 29**	**$ 22**	**$ 527**
NET CASH FLOW	**$ (68)**	**$ 13**	**$ (4)**	**$ (31)**	**$ (47)**	**$ 57**	**$ (14)**	**$ (9)**	**$ (17)**	**$ (37)**	**$ 63**	**$ (5)**	**$ (20)**	**$ (119)**
Beginning Cash Balance	$ 47	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 47
(+/-) Net Cash Flow	(68)	13	(4)	(31)	(47)	57	(14)	(9)	(17)	(37)	63	(5)	(20)	(119)
(+/-) RBL Draw / (Paydown)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(+/-) DIP Draw / (Paydown)	31	(13)	4	31	47	(57)	14	9	17	37	(63)	5	20	82
Ending Cash Balance	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**
Senior DIP Roll-Up	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83
Junior DIP Roll-Up	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650
Beginning DIP Balance	$ —	$ 31	$ 18	$ 22	$ 53	$ 100	$ 43	$ 58	$ 67	$ 84	$ 120	$ 58	$ 63	$ —
(+/-) DIP Draw / (Paydown)	31	(13)	4	31	47	(57)	14	9	17	37	(63)	5	20	82
Ending DIP Balance	$ 31	$ 18	$ 22	$ 53	$ 100	$ 43	$ 58	$ 67	$ 84	$ 120	$ 58	$ 63	$ 82	$ 82
DIP Availability Balance	*$ 219*	*$ 232*	*$ 228*	*$ 197*	*$ 150*	*$ 207*	*$ 192*	*$ 183*	*$ 166*	*$ 130*	*$ 192*	*$ 187*	*$ 168*	*$ 168*
Incremental Letters of Credit	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*
Existing Letters of Credit	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*

Consolidated Monthly Cash Flow Forecast

($ in millions)

	Fcst Jul-20	Fcst Aug-20	Fcst Sep-20	Fcst Oct-20	Fcst Nov-20	Fcst Dec-20	Fcst Jan-21	Fcst Total
Cash Inflows								
Total Receipts	**$ 158**	**$ 108**	**$ 133**	**$ 150**	**$ 118**	**$ 150**	**$ 13**	**$ 830**
Cash Outflows								
Operating AP Payments	$ 73	$ 54	$ 44	$ 51	$ 53	$ 59	$ 8	341
Payroll / Payroll Taxes	16	16	16	25	16	22	8	118
Elk Hills Power Capacity / Reimbursement	23	23	23	23	23	23	24	163
Other Operating Disbursements	66	37	32	27	28	75	17	282
Total Operating Disbursements	**$ 178**	**$ 130**	**$ 115**	**$ 125**	**$ 120**	**$ 179**	**$ 56**	**$ 904**
OPERATING CASH FLOW	**$ (19)**	**$ (22)**	**$ 17**	**$ 25**	**$ (2)**	**$ (29)**	**$ (43)**	**$ (74)**
Other Cash Flows								
Interest Expense / Fees	$ 22	$ 4	$ 6	$ 8	$ 6	$ 15	$ 4	$ 65
Other Disbursements	67	10	11	33	11	14	51	198
Total Other Cash Flows	**$ 90**	**$ 14**	**$ 18**	**$ 41**	**$ 18**	**$ 28**	**$ 54**	**$ 263**
TOTAL DISBURSEMENTS	**$ 267**	**$ 144**	**$ 133**	**$ 166**	**$ 138**	**$ 207**	**$ 111**	**$ 1,166**
NET CASH FLOW	**$ (109)**	**$ (36)**	**$ —**	**$ (16)**	**$ (19)**	**$ (58)**	**$ (98)**	**$ (336)**
CASH AND BORROWINGS								
Beginning Cash Balance	$ 97	$ 10	$ 10	$ 10	$ 10	$ 10	$ 10	$ 97
(+/-) Net Cash Flow	(109)	(36)	—	(16)	(19)	(58)	(98)	(336)
(+/-) RBL Draw / (Paydown)	—	—	—	—	—	—	—	—
(+/-) DIP Draw / (Paydown)	22	36	—	16	19	58	98	249
Ending Cash Balance	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**	**$ 10**
Senior DIP Roll-Up	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83
Junior DIP Roll-Up	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650	$ 650
Beginning DIP Balance	$ —	$ 22	$ 58	$ 58	$ 74	$ 93	$ 151	$ —
(+/-) DIP Draw / (Paydown)	22	36	—	16	19	58	98	249
Ending DIP Balance	$ 22	$ 58	$ 58	$ 74	$ 93	$ 151	$ 249	$ 249
DIP Availability Balance	*$ 228*	*$ 192*	*$ 192*	*$ 176*	*$ 157*	*$ 99*	*$ 1*	*$ 1*
Incremental Letters of Credit	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*	*$ 31*
Existing Letters of Credit	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*	*$ 150*

(1) Comprised of pre-petition cash flows for weeks ending 7/3 through 7/10. Comprised of post-petition cash flows for weeks ending 7/17, 7/24 and 7/31
(2) Comprised of stub period cash flows through week ending 1/15

EXHIBIT B

FORM OF NOTICE OF BORROWING

[Letterhead of Borrower]

[Date][1]

Alter Domus Products Corp.
as Administrative Agent

Re: California Resources Corporation Notice of Borrowing

Ladies and Gentlemen:

This Notice of Borrowing is delivered to you pursuant to Section 2.3 and 8.2 of that certain Junior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), by and among California Resources Corporation, a Delaware corporation and debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code (the "**Borrower**"), the lenders from time to time party thereto (the "**Lenders**") and Alter Domus Products Corp., as the administrative agent (the "**Administrative Agent**").

The Borrower hereby requests that a Loan be extended as follows:

(i) Aggregate amount of the requested Loan is $[ ];

(ii) Date of such Borrowing is [ ], 202[ ];

(iii) Requested Borrowing is to be [an ABR Loan][a LIBOR Loan]; and

(iv) Location and number of the Borrower's account to which funds are to be disbursed is as follows:

[ ]
[ ]
[ ]
[ ]
[ ].

The Borrower certifies that all conditions to the Borrowing set forth in Article VIII of the Credit Agreement shall be satisfied or waived on the date of the requested Borrowing.

---

[1] Date of Notice of Borrowing: To be submitted (i) with respect to the Borrowing of the Term Loan on the Closing Date, prior to 1:00 p.m. (New York City time) at least one Business Day prior to such Borrowing if such Loans are to be initially LIBOR Loans and (ii) with respect to each other Borrowing of Loans (if any), (A) prior to 1:00 p.m. (New York City time) at least three Business Days' prior to each Borrowing of Loans if such Loans are to be made initially as LIBOR Loans and (B) prior to 1:00 p.m. (New York City time) one Business Day prior to the date of each Borrowing of Loans that are to be ABR Loans.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Notice of Borrowing by its authorized representative as of the day and year first above written.

CALIFORNIA RESOURCES CORPORATION

By: _____

Name:

Title:

EXHIBIT C

[RESERVED]

FORM OF GUARANTEE

[See attached.]

JUNIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION GUARANTEE

made by

certain of the Guarantors from time to time party hereto,
each a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code
and
each of the Guarantors from time to time party hereto,

in favor of

ALTER DOMUS PRODUCTS CORP.
as Administrative Agent

Dated as of July 23, 2020

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JUNIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION GUARANTEE

JUNIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION GUARANTEE, dated as of July 23, 2020 (this "Guarantee"), is made by certain of the Subsidiaries of the Borrower that is a signatory hereto, each a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code, and each of the other Subsidiaries of the Borrower that is a signatory hereto (each of the signatories hereto, together with any other Subsidiary of the Borrower that becomes a party hereto from time to time after the date hereof, each, individually a "Guarantor" and, collectively, the "Guarantors"), in favor of ALTER DOMUS PRODUCTS CORP., as Administrative Agent (in such capacity, together with its successors in such capacity, the "Administrative Agent") for the benefit of the Secured Parties.

WHEREAS, reference is made to that certain Junior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among California Resources Corporation, a Delaware corporation and a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code (the "Borrower"), the banks, financial institutions and other lending institutions or entities from time to time party thereto (the "Lenders"), and Alter Domus Products Corp., as Administrative Agent;

WHEREAS, pursuant to the Credit Agreement, among other things, the Lenders have severally agreed to make Loans to the Borrower;

WHEREAS, each Guarantor is a Domestic Subsidiary of the Borrower;

WHEREAS, the proceeds of the Term Loan will be used in part to enable the Borrower to make valuable transfers to the Guarantors in connection with the operation of their respective businesses;

WHEREAS, each Guarantor acknowledges that it will derive substantial direct and indirect benefit from the making of the Term Loan;

WHEREAS, it is a condition precedent to the obligations of the Secured Parties to make their respective Term Loan to the Borrower that the Guarantors shall have executed and delivered this Guarantee to the Administrative Agent for the ratable benefit of the Secured Parties;

WHEREAS, the execution, delivery and performance of this Guarantee by each Guarantor and providing its respective Guarantee (as defined in the Credit Agreement) to secure the payment and performance of all the Obligations have been authorized pursuant to Sections 105, 361, 362, 363(b), 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503, 506(c) and 507 of the Bankruptcy Code by the Interim Order and, after the entry thereof by the Bankruptcy Court, will have been so authorized by the Final Order;

WHEREAS, from and after the entry of the Interim Order and subject to the priorities set forth therein, and pursuant to and only to the extent permitted in the Interim Order and the Final Order, the Obligations will constitute allowed administrative expense claims in the Chapter 11 Cases having priority (subject to the terms of the Interim Order (and, when entered, the Final Order)) over all administrative expense claims and unsecured claims against the Guarantors now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expense claims of the kind specified in Sections 105, 326, 328, 330, 331, 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 726, 1113 or 1114 or any other provision of the Bankruptcy Code or otherwise, as provided under Section 364(c)(1) of the Bankruptcy Code; and

WHEREAS, to supplement the Interim Order (and, when entered, the Final Order) without in any way diminishing or limiting the effect of the Interim Order (and, when entered, the Final Order), and in order to comply with the requirements of the Credit Agreement, the parties hereto desire to more fully set forth their respective rights in connection with such Guarantee (as defined in the Credit Agreement) as set forth herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and the Lenders to make the Term Loan to the Borrower under the Credit Agreement, the Guarantors hereby agree with the Administrative Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION I
DEFINITIONS

1.1 Defined Terms.

(a) Unless otherwise defined herein, each term defined in the Credit Agreement and used herein (including terms used in the preamble and recitals hereto) shall have the meaning given to it in the Credit Agreement.

(b) The rules of construction and other interpretive provisions specified in Sections 1.2, 1.3, 1.5 1.6 and 1.7 of the Credit Agreement shall apply to this Guarantee, including terms defined in the preamble and recitals hereto.

(c) As used herein, "Obligations" shall have the meaning given such term in the Credit Agreement; provided that references herein to (a) the Obligations of the Borrower shall refer to the Obligations (as defined in the Credit Agreement), and (b) the Obligations of any Guarantor shall refer to such Guarantor's Guarantor Obligations.

(d) As used herein, "Restricted Person" means the Borrower or any Guarantor.

(e) As used herein, "Guarantor Obligations" means, with respect to any Guarantor, all Obligations (as defined in the Credit Agreement) of such Guarantor which may arise under or in connection with the Guarantee and any other Security Document to which such Guarantor is a party.

SECTION II
GUARANTEE

2.1 Guarantee.

(a) Subject to the provisions of Section 2.1(b), each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations (including any extensions, modifications, substitutions, amendments and renewals of any or all of such Obligations).

(b) Anything herein or in any other Credit Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Credit Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under the Bankruptcy Code or any applicable

federal and state Requirements of Law relating to fraudulent conveyances, fraudulent transfers or the insolvency of debtors.

(c) Without limiting the foregoing, this Guarantee secures, as to any Guarantor, the payment of all amounts that constitute part of the Obligations and would be owed by any Restricted Person to any Secured Party under the Credit Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving a Restricted Person.

(d) Each Guarantor agrees to pay or reimburse the Administrative Agent for all of its reasonable and documented out-of-pocket costs and expenses (with respect to attorney costs, limited to reasonable fees, disbursements and other charges of (x) one primary counsel to the Administrative Agent and a single local counsel in each relevant jurisdiction and any special counsel reasonably deemed necessary by the Administrative Agent, and (y) one primary counsel to the other Secured Parties (taken as a whole) and a single local counsel in each relevant jurisdiction and any special counsel reasonably deemed necessary by the other Secured Parties (taken as a whole)) incurred in connection with the preparation, negotiation, execution, delivery and administration of, and any amendment, waiver, supplement, consent, or modification to, this Guarantee and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of Ropes & Gray LLP, in its capacity as counsel to the Administrative Agent and Davis Polk & Wardwell LLP, in its capacity as counsel to the other Secured Parties, and one counsel to the Administrative Agent and one counsel to the other Secured Parties in each appropriate local jurisdiction (other than any allocated costs of in-house counsel) to the extent that the Borrower would be required to make payments pursuant to Section 14.5 of the Credit Agreement. Each Guarantor further agrees to pay any and all expenses (including without limitation, all reasonable fees and disbursements of counsel) that may be paid or incurred by the Administrative Agent or any other Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Guarantor under this Guarantee to the extent that the Borrower would be required to make payments pursuant to Section 14.5 of the Credit Agreement. This Guarantee shall remain in full force and effect until Payment in Full.

(e) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this Guarantee or affecting the rights and remedies of the Administrative Agent or any other Secured Party hereunder.

(f) No payment or payments made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any other Secured Party from the Borrower, any Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of, or in payment of, the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder, which shall, notwithstanding any such payment or payments (other than payments made by the Borrower or such Guarantor in respect of the Obligations or payments received or collected from such Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until Payment in Full.

(g) Each Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any other Secured Party on account of its liability hereunder, it will notify the Administrative Agent in writing that such payment is made under this Guarantee for such purpose.

2.2 Right of Contribution. Subject to entry and the terms of the Interim Order (and, when entered, the Final Order), each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder (including by way of set-off rights being exercised against it), such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.4. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the other Secured Parties, and each Guarantor shall remain liable to the Administrative Agent and the other Secured Parties for the full amount guaranteed by such Guarantor hereunder.

2.3 Right of Set-off. In addition to any rights and remedies of the Secured Parties provided by the DIP Order and applicable Requirements of Law, each Guarantor hereby irrevocably authorizes each Secured Party at any time and from time to time following the occurrence and during the continuance of any Event of Default, without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, upon any amount becoming due and payable by such Guarantor hereunder (whether at stated maturity, by acceleration or otherwise), subject to the terms of the Interim Order (and, when entered, the Final Order), to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final, but excluding deposits held by such Guarantor as a fiduciary for others), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Guarantor under any Credit Document. Each Secured Party shall notify such Guarantor and the Administrative Agent promptly of any such set-off and the appropriation and application made by such Secured Party; provided that the failure to give such notice shall not affect the validity of such set-off and appropriation and application.

2.4 No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or appropriation or application of funds of any of the Guarantors by any Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any other Secured Party against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by any Secured Party for the payment of the Obligations until Payment in Full, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder until Payment in Full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time prior to Payment in Full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent is directed by the Majority Lenders.

2.5 Amendments, etc. with respect to the Obligations; Waiver of Rights. Except for termination of a Guarantor's obligations hereunder as provided in Section 5.14, each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor: (a) any demand for payment of any of the Obligations made by the Administrative Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued; (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any other Secured Party (with the consent of the applicable Credit Parties where required by the terms hereof or thereof); (c) the Credit Agreement and the other Credit Documents and any other documents executed and delivered in connection therewith may be amended, modified, waived,

supplemented or terminated, in whole or in part, in accordance with the terms of the applicable documents; and (d) any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against any of the Guarantors, the Administrative Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on the Borrower or any other Guarantor or guarantor, and any failure by the Administrative Agent or any other Secured Party to make any such demand or to collect any payments from the Borrower or any such other Guarantor or guarantor or any release of the Borrower or such other Guarantor or guarantor shall not relieve any of the Guarantors in respect of which a demand or collection is not made or any of the Guarantors not so released of their several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any other Secured Party against any of the Guarantors. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, contraction, incurrence, renewal, extension, amendment, waiver or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any other Secured Party upon this Guarantee or acceptance of this Guarantee, and the Obligations and any of them shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended, waived or accrued, in reliance upon this Guarantee. All dealings between the Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. To the fullest extent permitted by applicable Requirement of Law, each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to, or upon, the Borrower or any other Guarantor with respect to the Obligations. Each Guarantor understands and agrees that, subject to the terms of the Interim Order (and, when entered, the Final Order), this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement or any other Credit Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any other Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower against the Administrative Agent or any other Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Credit Parties for the Obligations, or of such Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent and any other Secured Party may, subject to the terms of the Interim Order (and, when entered, the Final Order), but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrower or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any other Secured Party to pursue such other rights or remedies or to collect any payments from the Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the other Secured Parties against such Guarantor. Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from financing arrangements contemplated by the Credit Documents and the waivers set forth herein are knowingly made in contemplation of such benefits. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof, and shall inure to the benefit of the

Administrative Agent and the other Secured Parties, and their respective successors, indorses, transferees and assigns, until Payment in Full. A Guarantor shall automatically be released from its obligations hereunder and the Guarantee of such Guarantor shall be automatically released under the circumstances described in Section 14.17 of the Credit Agreement.

2.7 Reinstatement. Each Guarantor further agrees that, subject to the terms of the Interim Order (and, when entered, the Final Order), this Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.8 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the office of the Administrative Agent located at the address specified in Section 14.2 of the Credit Agreement or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders. Each Guarantor agrees that the provisions of Sections 5.4 and 14.20 of the Credit Agreement shall apply to such Guarantor's obligations under this Guarantee.

SECTION III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties.

(a) Each Guarantor hereby represents and warrants that, in the case of such Guarantor, the representations and warranties set forth in Article IX of the Credit Agreement (as they relate to such Guarantor) or in the other Credit Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct in all material respects (unless any such representation or warranty is already qualified by materiality, Material Adverse Effect or a similar qualification, in which case such representation or warranty is true and correct in all respects), and the Administrative Agent and each Secured Party shall be entitled to rely on each of them as if they were fully set forth herein.

(b) Each Guarantor has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of this Guarantee and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Guarantee. Each Guarantor has duly executed and delivered this Guarantee and, upon entry and subject to the terms of the Interim Order (and, when entered, the Final Order), this Guarantee constitutes the legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization and similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

(c) Subject to entry and the terms of the Interim Order (and, when entered, the Final Order), none of the execution, delivery or performance of this Guarantee or the compliance with the terms and provisions thereof by any Guarantor will (a) contravene any material applicable provision of any material Requirement of Law, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other instrument to which such Guarantor is a party or by which it or any of its property or

assets is bound or (c) violate any provision of the certificate of incorporation, by-laws or other organizational documents of such Guarantor.

(d) Subject to entry and the terms of the Interim Order, there is no condition precedent to the effectiveness of this Guarantee that has not been satisfied or waived.

(e) Each Guarantor has independently and without reliance upon any Secured Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Guarantee, and such Guarantor has established adequate means of obtaining from each other Restricted Person on a continuing basis information pertaining to, and is now and on a continuing basis will be completely familiar with, the business, condition (financial or otherwise), operations, performance, properties and prospects of each other Restricted Person.

Each Guarantor agrees that the foregoing representations and warranties shall be deemed to have been made by such Guarantor on and as of the date of each Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be deemed to have been made as of such earlier date).

ARTICLE IV
COVENANTS

4.1 Covenants. Each Guarantor hereby covenants and agrees with the Administrative Agent and each other Secured Party that, from and after the date of this Guarantee until Payment in Full, such Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by such action, the failure to take such action or to refrain from taking such action by such Guarantor or any of its Subsidiaries.

4.2 Authority of Administrative Agent. Each Guarantor acknowledges that the rights and responsibilities of the Administrative Agent under this Guarantee with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Guarantee shall, as between the Administrative Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and such Guarantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting in the manner set forth in Article 13 of the Credit Agreement, and no Guarantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority. In connection with this Guarantee, the Administrative Agent shall have all rights, privileges, protections, indemnities, exculpations and immunities in favor of the Administrative Agent under the Credit Agreement and the other Credit Documents, including, without limitation, the right to request written instructions or confirmations from the Majority Lenders (or such other number or percentage of Lenders as is required under the Credit Documents) prior to taking any action hereunder and the right to appoint designees, agents, or attorneys-in-fact to exercise any rights and powers conferred on the Administrative Agent hereunder.

SECTION 5
MISCELLANEOUS

5.1 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.2 of the Credit Agreement. All communications and notices hereunder to any Guarantor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

5.2 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Guarantee and the making of the Loans.

5.3 Severability. Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

5.4 Integration; Conflicts. Subject to entry and the terms of the Interim Order (and, when entered, the Final Order), this Guarantee and the other Credit Documents represent the final agreement of the Guarantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties hereto, and there are no promises, undertakings, representations or warranties by the Guarantors, any Agent nor any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents. There are no unwritten oral agreements between the parties hereto. Each Guarantor and the Administrative Agent expressly agree that (a) in the event of a conflict between the terms and conditions of this Guarantee and the terms and conditions of the Credit Agreement, the terms and conditions of the Credit Agreement shall control and (b) in the event of a conflict between the terms of this Guarantee and the terms of the DIP Order, the terms of the DIP Order shall control.

5.5 Section Headings. The Section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

5.6 Counterparts; Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. Sections 14.9 (Counterparts; Electronic Execution), 14.12 (GOVERNING LAW), 14.13 (Submission to Jurisdiction; Waivers) and 14.15 (WAIVERS OF JURY TRIAL) of the Credit Agreement are hereby incorporated herein by reference *mutatis* mutandis and shall apply to this Guarantee as if fully set forth herein.

5.7 Acknowledgments. Each Guarantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Guarantee, the transactions contemplated hereby and the other Credit Documents;

(b) it will not assert any claim against the Administrative Agent or any other Secured Party based on an alleged breach of fiduciary duty by such party in connection with this Guarantee, the transactions contemplated hereby or the other Credit Documents; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Administrative Agent and the other Secured Parties or among the Borrower, the Administrative Agent and the other Secured Parties.

5.8 Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Guarantor(s) and the Administrative Agent in accordance with Section 14.1 of the Credit Agreement.

(b) Neither the Administrative Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to Section 5.8(a)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. A waiver by the Administrative Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or any Secured Party would otherwise have on any future occasion.

(c) and subject to Section 14.17 of the Credit Agreement

The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and not exclusive of any other rights, remedies, powers and privileges provided by law.

5.9 Successors and Assigns. This Guarantee shall, subject to entry and the terms of the Interim Order (and, when entered, the Final Order), be binding upon each Guarantor and its successors and assigns and shall inure, together with all rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent and the Secured Parties and their successors and assigns. Without limiting the generality of the foregoing, the Administrative Agent and any other Secured Party may, in accordance with the provisions of the Credit Documents, pledge, assign or otherwise transfer any right under any Credit Document to any other Person, and such other Person shall thereupon become vested with all benefits in respect thereof granted herein or otherwise. No right or duty of any Guarantor hereunder may be assigned or otherwise transferred without the prior written consent of the Administrative Agent (at the direction of the Majority Lenders).

5.10 Termination or Release.

(a) This Guarantee shall terminate on the date on which the Obligations are Paid in Full.

(b) Subject to entry and the terms of the Interim Order (and, when entered, the Final Order), a Guarantor shall automatically be released from its obligations hereunder upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Guarantor ceases to be a Subsidiary.

(c) In connection with any termination or release in accordance with clauses (a) and (b) above and subject to Section 14.17 of the Credit Agreement, the Administrative Agent shall, subject to entry and the terms of the Interim Order (and, when entered, the Final Order), execute and deliver to any Guarantor, at such Guarantor's expense, all documents that such Guarantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 5.10 shall be without recourse to or representation or warranty by the Administrative Agent.

5.11 Additional Guarantors. Each Person required to become a Credit Party pursuant to and in accordance with Section 10.10 of the Credit Agreement, shall, within the time periods specified in

Section 10.10 of the Credit Agreement, execute by executing a joinder (a "**Joinder**") to the Guarantee Agreement in form and substance reasonably acceptable to the Administrative Agent. Upon execution and delivery by the Administrative Agent and any such Person of such Joinder, such Person shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of a Joinder shall not require the consent of any other Credit Party. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantors as a party to this Guarantee.

[SIGNATURES BEGIN NEXT PAGE]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee to be duly executed and delivered as of the date first above written.

[_____]
as a Guarantor

By: _____
Name: _____
Title: _____

Acknowledged and Consented to:

ALTER DOMUS PRODUCTS CORP.,
as Administrative Agent

By: _____

Name: _____

Title: _____

FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the **"Assignment and Acceptance"**) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the **"Assignor"**) and [*Insert name of Assignee*] (the **"Assignee"**). Capitalized terms used but not defined herein shall have the meanings given to them in the Junior Secured Superpriority Debtor-in-Possession Credit Agreement identified below (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "***Assigned Interest***"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
[and is an Affiliate/Approved Fund of [*identify Lender*][1]]

3. Borrower: California Resources Corporation

4. Administrative Agent: Alter Domus Products Corp., as Administrative Agent under the Credit Agreement

5. Credit Agreement: That certain Junior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020, among California Resources Corporation, a Delaware corporation and debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code (the

[1] Select as applicable.

"**Borrower**"), the lenders from time to time party thereto (the "**Lenders**") and ALTER DOMUS PRODUCTS CORP., as Administrative Agent (such terms and each other capitalized term used but not defined herein having the meaning provided in Article I of the Credit Agreement).

6. Assigned Interest:

Total Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned[2]	Commitment/Loans Percentage[3]
$_____	$_____	_____%

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Credit Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws; all "know your customer" documents requested by the Administrative Agent pursuant to anti-money laundering rules and regulations; and all applicable tax forms.

[Remainder of page intentionally left blank; signature page follows]

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2 The amount of the Commitment or Loans of the assigning Lender being assigned pursuant to this Assignment shall not be less than $1,000,000 and increments of $1,000,000 in excess thereof.

3 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR:
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE:
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and][1] Accepted:

ALTER DOMUS PRODUCTS CORP.,
as Administrative Agent

By: _____
Name:
Title:

[1] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT
AND ACCEPTANCE

Representations and Warranties.

1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of the Credit Agreement, (iv) any requirements under applicable law for the Assignee to become a lender under the Credit Agreement or to charge interest at the rate set forth therein from time to time or (v) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under the Credit Agreement.

2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement and under applicable law that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 10.1(a) and (b) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, the Assignor or any other Lender or any of their respective Related Parties, and (vi) if it is not a Lender, attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender or any of their respective Related Parties, and based on such documents and information as it shall deem appropriate at that time, continue to make its own credit decisions in taking or not

taking action under the Credit Agreement, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

4. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Acceptance by the Assignee and the Assignor by Electronic Signature or delivery of an executed counterpart of a signature page of this Assignment and Acceptance by any Approved Electronic Platform shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York and, to the extent applicable, the Bankruptcy Code.

5. No Assignment of Exit Premium. Notwithstanding anything to the contrary herein, this Assignment and Acceptance shall not assign or be deemed to assign any of the Assignor's rights to or interests in the Exit Premium. If the Assignor desires to assign its right to or interests in the Exit Premium, such assignment shall be set forth in a separate Exit Premium Assignment in accordance with Section 14.6(g) of the Credit Agreement.

FORM OF PROMISSORY NOTE

[_____], 202[__]

FOR VALUE RECEIVED, the undersigned, California Resources Corporation, a Delaware corporation and debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code (the "**Borrower**"), hereby unconditionally promises to pay [_____] or its registered assigns (the "**Lender**"), at the Administrative Agent's Office or such other place as ALTER DOMUS PRODUCTS CORP., as the administrative agent (the "**Administrative Agent**") shall have specified, in Dollars and in immediately available funds, in accordance with Section 5.3 of the Credit Agreement (as defined below) on the Maturity Date, the aggregate unpaid principal amount, if any, of all advances made by the Lender to the Borrower in respect of Loans pursuant to the Credit Agreement. The Borrower further promises to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates per annum and on the dates specified in Section 2.8 of the Credit Agreement.

This Promissory Note is one of the promissory notes referred to in Section 2.5(e) of that certain Junior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, the lenders from time to time party thereto (the "**Lenders**") and ALTER DOMUS PRODUCTS CORP., as Administrative Agent (such terms and each other capitalized term used but not defined herein having the meaning provided in Article I of the Credit Agreement).

This Promissory Note is subject to, and the Lender is entitled to the benefits of, the provisions of the Credit Agreement, and the Loans evidenced hereby are guaranteed and secured as provided therein and in the other Credit Documents. The Loans evidenced hereby are subject to prepayment prior to the Maturity Date, in whole or in part, as provided in the Credit Agreement.

All parties now and hereafter liable with respect to this Promissory Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive diligence, presentment, demand, protest and notice of any kind whatsoever in connection with this Promissory Note. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or the Lender, any right, remedy, power or privilege hereunder or under the Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. A waiver by the Administrative Agent or the Lender of any right, remedy, power or privilege hereunder or under any Credit Document on any one occasion shall not be construed as a bar to any right or remedy that the Administrative Agent or the Lender would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights, remedies, powers and privileges provided by law.

All payments in respect of the principal of and interest on this Promissory Note shall be made to the Person recorded in the Register as the holder of this Promissory Note, as described more fully in Section 2.5 of the Credit Agreement, and such Person shall be treated as the Lender hereunder for all purposes of the Credit Agreement.

THIS PROMISSORY NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[Remainder of page intentionally left blank]

THIS PROMISSORY NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

CALIFORNIA RESOURCES CORPORATION

By: _____

Name:

Title:

Promissory Note
California Resources Corporation
Credit Agreement

FORM OF INTERIM ORDER

[See attached.]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re	:	Chapter 11
CALIFORNIA RESOURCES CORPORATION, *et al*.,	:	Case No. 20-33568 (DRJ)
Debtors.	:	Jointly Administered

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) AUTHORIZING THE USE OF CASH COLLATERAL, (IV) GRANTING ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY AND (VI) GRANTING RELATED RELIEF

Upon the motion (the "Motion"),[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases"), seeking entry of an interim order (together with all annexes, schedules and exhibits hereto, this "Interim Order") and the Final Order (as defined below) pursuant to sections 105, 361, 362, 363(b), 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503, 506(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code"), and rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy

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1 The Debtors in these chapter 11 cases and the last four digits of their U.S. taxpayer identification numbers are: California Resources Corporation (0947); California Heavy Oil, Inc. (4630); California Resources Coles Levee, L.P. (2995); California Resources Coles Levee, LLC (2087); California Resources Elk Hills, LLC (7310); California Resources Long Beach, Inc. (6046); California Resources Mineral Holdings LLC (4443); California Resources Petroleum Corporation (9218); California Resources Production Corporation (5342); California Resources Production Mineral Holdings, LLC (9071); California Resources Real Estate Ventures, LLC (6931); California Resources Royalty Holdings, LLC (6393); California Resources Tidelands, Inc. (0192); California Resources Wilmington, LLC (0263); CRC Construction Services, LLC (7030); CRC Marketing, Inc. (0941); CRC Services, LLC (6989); Monument Production, Inc. (0782); Oso Verde Farms, LLC (7436); Socal Holding, LLC (3524); Southern San Joaquin Production, Inc. (4423); Thums Long Beach Company (1774); Tidelands Oil Production Company LLC (5764). The Debtors' corporate headquarters is located at 27200 Tourney Road, Suite 200, Santa Clarita, CA 91355.

2 All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Rules") and Rules 2002-1, 4001-1(b), 4002-1(i) and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Local Rules") and the Procedures for Complex Chapter 11 Bankruptcy Cases (the "Complex Case Procedures") promulgated by the United States Bankruptcy Court for the Southern District of Texas, providing, among other things:

(1) authorizing the Debtors to obtain debtor-in-possession financing in the aggregate principal amount of up to $1,133,010,655.62, consisting of:

(A) a senior secured superpriority debtor-in-possession revolving credit facility (the "Senior DIP Facility") in the aggregate principal amount of up to $483,010,655.62, consisting of (i) a $400,139,598.62 new money subfacility (the "Senior New Money Subfacility"), including $150,139,598.62 to deem the RBL Letters of Credit (as defined below) as being issued under the Senior New Money Subfacility and a sublimit of not more than $35,000,000 for additional letters of credit (together, the "DIP Letters of Credit"), and (ii) a $82,871,057.00 "roll-up" term loan subfacility (the "Senior Roll-Up Subfacility") (all extensions of credit, including the issuance or deemed issuance of DIP Letters of Credit, under the Senior DIP Facility, the "Senior DIP Loans") pursuant to the terms and conditions of this Interim Order and that certain Senior Secured Superpriority Debtor-In-Possession Credit Agreement substantially in the form attached hereto as Exhibit 1 (as amended, supplemented, restated, refunded, refinanced, replaced or otherwise modified from time to time in accordance with the terms thereof, the "Senior DIP Credit Agreement", and together with all agreements, commitment and fee letters, documents, instruments and certificates executed, delivered or filed in connection therewith, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, collectively, the "Senior DIP Loan Documents"), by and among California Resources Corporation, as borrower ("CRC" or the "Senior DIP Borrower"), each of the other Debtors, as guarantors (the "Senior DIP Guarantors"), JPMorgan Chase Bank, N.A. (or any successor or assign), as administrative agent and collateral agent (in such capacities, the "Senior DIP Agent"), JPMorgan Chase Bank, N.A., Bank of America, N.A. and Citibank, N.A. in their capacity as the issuing banks for DIP Letters of Credit (the "Senior Issuing Banks") and the financial institutions party thereto from time to time as lenders (the "Senior DIP Lenders", and together with the Senior DIP Agent, the Senior Issuing Banks and each other Secured Party (as defined in the Senior DIP Credit Agreement), the "Senior DIP Secured Parties"); and

(B) a junior secured superpriority debtor-in-possession term loan facility (the "Junior DIP Facility", together with the Senior DIP Facility, the "DIP Facilities") in the aggregate principal amount of $650,000,000 (all extensions of credit under the Junior DIP Facility, the "Junior DIP Loans", and together with the Senior DIP Loans, the "DIP Loans") pursuant to the terms and conditions of this Interim Order and that certain Junior Secured Superpriority Debtor-In-Possession Credit Agreement substantially in the form attached

hereto as Exhibit 2 (as amended, supplemented, restated, refunded, refinanced, replaced or otherwise modified from time to time in accordance with the terms thereof, the "Junior DIP Credit Agreement", and together with all agreements, commitment and fee letters, documents, instruments and certificates executed, delivered or filed in connection therewith, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, collectively, the "Junior DIP Loan Documents"; the Junior DIP Credit Agreement together with the Senior DIP Credit Agreement, the "DIP Credit Agreements", and the Junior DIP Loan Documents together with the Senior DIP Loan Documents, the "DIP Loan Documents"), by and among CRC, as borrower (the "Junior DIP Borrower", and together with the Senior DIP Borrower, the "DIP Borrowers"), each of the other Debtors, as guarantors (the "Junior DIP Guarantors", and together with the Senior DIP Guarantors, the "DIP Guarantors"), Alter Domus Products Corp. (or any successor or assign), as administrative agent (in such capacity, the "Junior DIP Agent", and together with the Senior DIP Agent, the "DIP Agents"), and the financial institutions party thereto from time to time as lenders (the "Junior DIP Lenders", and together with the Junior DIP Agent, and each other Secured Party (as defined in the Junior DIP Credit Agreement), the "Junior DIP Secured Parties"; the Junior DIP Lenders together with the Senior DIP Lenders, the "DIP Lenders", and the Junior DIP Secured Parties together with the Senior DIP Secured Parties, the "DIP Secured Parties");

(2) authorizing the Debtors to draw up to $266,139,598.62 of Senior DIP Loans under the Senior New Money Subfacility during the interim period pending entry of the Final Order to be used in accordance with this Interim Order and the Senior DIP Loan Documents, consisting of up to $85,000,000 for new money Senior DIP Loans, $150,139,598.62 of capacity to issue (or deemed to issue) DIP Letters of Credit to replace the RBL Letters of Credit and up to $31,000,000 to issue additional new DIP Letters of Credit to backstop surety bonds;

(3) authorizing the Debtors to fully draw $82,871,057.00 of Senior DIP Loans under the Roll-Up Subfacility on the closing date of the Senior DIP Facility and to use the proceeds thereof to refund, refinance, replace and repay $82,871,057.00 of the RBL Loans (as defined below);

(4) authorizing the Debtors to fully draw $650,000,000 of Junior DIP Loans under the Junior DIP Facility on the closing date of the Junior DIP Facility to repay $650,000,000 of the RBL Loans;

(5) authorizing the Debtors to issue DIP Letters of Credit, including deeming all of the RBL Letters of Credit to be DIP Letters of Credit issued under the Senior New Money Subfacility;

(6) authorizing the Debtors to execute and deliver to the DIP Secured Parties and perform under the DIP Credit Agreements and the other DIP Loan Documents and to perform such other and further acts as may be necessary or desirable in connection with the DIP Loan Documents;

(7) authorizing and directing the Debtors to incur and pay all DIP Obligations (as defined below), subject to the terms of the respective DIP Loan Documents and this Interim Order;

(8) granting each DIP Agent, for the benefit of itself and the other DIP Secured Parties for which it is the agent, and authorizing the Debtors to incur, valid, enforceable, non-avoidable, automatically and fully perfected priming liens on and security interests in all DIP Collateral (as defined below), including, without limitation, all Cash Collateral (as defined below), to secure the respective DIP Obligations, which liens and security interests shall be subject to the rankings and priorities set forth herein;

(9) granting to the Senior DIP Secured Parties and Junior DIP Secured Parties allowed superpriority administrative expense claims against each of the Debtors, on a joint and several basis, in respect of all Senior DIP Obligations and Junior DIP Obligations (each as defined below), respectively, as set forth herein, which claims shall be subject to the ranking and priorities set forth herein;

(10) authorizing the Debtors' use of the proceeds of the DIP Facilities and Cash Collateral, in each case solely in accordance with the Approved Budget (as defined below and subject to Permitted Variances (as defined below)), and subject to the terms and conditions set forth in this Interim Order and the DIP Loan Documents;

(11) providing adequate protection, as and to the extent set forth herein, to the Prepetition RBL Secured Parties, Prepetition FLMO Secured Parties, Prepetition FLLO Secured Parties and Prepetition Second Lien Secured Parties (each as defined below) for any Diminution in Value (as defined below) of their respective interests in the Prepetition Collateral (as defined below), including Cash Collateral;

(12) subject to the limitations set forth herein, approving certain stipulations by the Debtors with respect to the Prepetition RBL Credit Agreement, the Prepetition RBL Obligations, the Prepetition Senior Liens, the Prepetition FLMO Term Credit Agreement, the Prepetition FLMO Obligations, the Prepetition FLLO Term Credit Agreement, the Prepetition FLLO Obligations, the Prepetition FLLO Liens, the Prepetition Second Lien Indenture, the Prepetition Second Lien Note Obligations, the Prepetition Second Liens and the Prepetition Collateral (each as defined below);

(13) waiving the rights of the Debtors to surcharge the DIP Collateral or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code, subject to the provisions in paragraph 31 below;

(14) waiving the application of the "equities of the case" exception under section 552(b) of the Bankruptcy Code as to the Prepetition Secured Parties (as defined below) with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral, subject to the provisions in paragraph 32 below;

(15) waiving the equitable doctrine of "marshaling" and other similar doctrines as to the DIP Secured Parties and the Prepetition Secured Parties, subject to the provisions in paragraphs 33 and 34 below;

(16) modifying or vacating the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise to the extent necessary to implement and effectuate the terms and provisions of

this Interim Order and the DIP Loan Documents, and waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order, and providing for the immediate effectiveness of this Interim Order; and

(17) scheduling a final hearing (the "Final Hearing") to consider entry of a final order (the "Final Order") authorizing the relief requested in the Motion on a final basis, and approving the form of notice with respect to the Final Hearing, which order shall be in form and substance and on terms satisfactory in all respects to each DIP Agent.

The Court (as defined below) having considered the Motion, the DIP Loan Documents on file with the Court, the *Declaration of Todd A. Stevens in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* (the "Stevens First Day Declaration") and the *Declaration of Mark Rajcevich in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* (the "Rajcevich First Day Declaration" and together with the Stevens First Day Declaration, the "First Day Declarations"), the Declaration of Bruce Mendelsohn in support of the Motion (the "Mendelsohn Declaration"), the pleadings filed with the Court, and the evidence proffered or adduced at the interim hearing held on July 17, 2020 (the "Interim Hearing"); and notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 4001 and 9014 and all applicable Bankruptcy Local Rules and Complex Case Procedures; and all objections, if any, to the interim relief requested in the Motion having been withdrawn, resolved or overruled by the Court; and it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing, and otherwise is fair and reasonable and in the best interests of the Debtors, their estates and their creditors, represents a sound exercise of the Debtors' business judgment and is necessary for the continued operation of the Debtors' businesses; and upon the record of these Chapter 11 Cases; after due deliberation and consideration, and for good and sufficient cause appearing therefor:

IT IS HEREBY FOUND, DETERMINED, ORDERED AND ADJUDGED:[3]

A. *Petition Date*. On July, 15, 2020 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (this "Court") commencing these Chapter 11 Cases.

B. *Debtors-in-Possession*. The Debtors continue to manage and operate their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of the Chapter 11 Cases.

C. *Committee Formation*. As of the date hereof, the United States Trustee (the "U.S. Trustee") has not appointed an official committee of unsecured creditors in these Chapter 11 Cases (the "Committee").

D. *Jurisdiction and Venue*. The Court has jurisdiction, pursuant to 28 U.S.C. § 1334, over these proceedings, and over the persons and property affected thereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief set forth herein are sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code and Rules 2002, 4001, 6004 and 9014 of the Bankruptcy Rules and Rules 2002-1, 4001-1(b), 4002-1(i) and 9013-1 of the Bankruptcy Local Rules. Venue for these Chapter 11 Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

E. *Debtors' Stipulations*. In requesting the DIP Facilities, and in exchange for and as a material inducement to the DIP Lenders for their commitments to provide the respective DIP Facilities, and in exchange for and in recognition of the priming of the Prepetition Senior Liens, the Prepetition FLLO Liens and the Prepetition Second Liens (each as defined below), subject to paragraph 29 hereof, the Debtors hereby admit, stipulate, acknowledge and agree that:

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[3] Where appropriate in this Interim Order, findings of fact shall be construed as conclusions of law and vice versa pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

(i) *Prepetition RBL Facility*. Pursuant to the Credit Agreement, dated as of September 24, 2014 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition RBL Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined therein), collectively, the "Prepetition RBL Loan Documents") by and among (a) CRC, as borrower (the "RBL Borrower"), (b) the guarantors party thereto (together with the RBL Borrower, the "Prepetition RBL Loan Parties"), (c) JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Prepetition RBL Agent"), (d) the lenders party thereto (the "Prepetition RBL Lenders") and (e) the Letter of Credit Issuers party thereto (together with any other Secured Parties (as defined in the Prepetition RBL Credit Agreement), collectively, the "Prepetition RBL Secured Parties"), the Prepetition RBL Secured Parties provided revolving loans and other extensions of credit (the "RBL Loans") to the RBL Borrower, and the Letter of Credit Issuers issued letters of credit (the "RBL Letters of Credit") for the account of the RBL Borrower.

(ii) *Prepetition RBL Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition RBL Loan Parties were jointly and severally indebted to the Prepetition RBL Secured Parties in the aggregate principal amount of $732,871,057 on account of RBL Loans, *plus* $150,139,598.62 with respect to issued and outstanding RBL Letters of Credit, *plus* accrued but unpaid interest, fees and expenses *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition RBL Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition RBL Loan Documents (collectively, including any "Obligations" as provided solely in clause (a)(i) of the term "Obligations" in the Prepetition RBL Credit Agreement, the "Prepetition RBL Obligations").

(iii) *Prepetition First Lien Mid-Out Term Facility*. Pursuant to the Credit Agreement, dated as of November 17, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition FLMO Term Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined therein), collectively, the "Prepetition FLMO Term Loan Documents") by and among (a) CRC, as borrower (the "FLMO Term Loan Borrower"), (b) the lenders party thereto (the "Prepetition FLMO Term Loan Lenders", and together with any Secured Parties (as defined in the Prepetition FLMO Term Credit Agreement), collectively, the "Prepetition FLMO Secured Parties") and (c) The Bank of New York Mellon Trust Company N.A. ("BNYM"), as administrative agent (in such capacity, the "Prepetition FLMO Term Loan Agent"), the Prepetition FLMO Term Loan Lenders provided term loans (the "Prepetition FLMO Term Loans") and other financial accommodations to the FLMO Term LoanBorrower, which were guaranteed by the guarantors party to the Guarantee, dated as of November 17, 2017 (together with the FLMO Term Loan Borrower, the "Prepetition FLMO Term Loan Parties", and together with the Prepetition RBL Loan Parties, the "Prepetition Senior Loan Parties").

(iv) *Prepetition First Lien Mid-Out Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition FLMO Term Loan Parties were jointly and severally indebted to the Prepetition FLMO Term Loan Lenders in the aggregate principal amount of $1,300,000,000, *plus* accrued but unpaid interest, fees and expenses, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition FLMO Term Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition FLMO Term Loan Documents (collectively, including any Obligations (as defined in the Prepetition FLMO Term Credit Agreement), the "Prepetition FLMO Obligations").

(v) *Prepetition Senior Liens and Prepetition Senior Collateral*. Pursuant to (i) the Second Amended and Restated Security Agreement, dated as of November 17, 2017, (ii) the Amended and Restated Pledge Agreement, dated as November 17, 2017, and (iii) the other Security Documents (as defined in the Prepetition RBL Credit Agreement and the Prepetition FLMO Term Credit Agreement), in order to secure the Prepetition RBL Obligations and the Prepetition FLMO Obligations, the Prepetition Senior Loan Parties granted to BNYM, as collateral agent for each of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties (in such capacity, the "Prepetition Senior Secured Collateral Agent"), for the benefit of itself and the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties, properly perfected and continuing first-priority liens, mortgages and security interests (such interests the "Prepetition Senior Liens") in the Collateral (as defined in the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents) (collectively, the "Prepetition Collateral"); *provided*, that the term Prepetition Collateral does not include any Collateral (as defined in the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents) in which a lien, mortgage and security interest was not required to be (and was not as of the Petition Date) granted and perfected by the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents, and which Collateral is not otherwise subject to a properly perfected lien, mortgage or security interest of the Prepetition Secured Parties.

(vi) *Collateral Agency Agreement*. The relative rights and remedies of the Prepetition RBL Secured Parties and the Prepetition FLMO Secured Parties in respect of the Prepetition Collateral and the relative priority of their rights to the proceeds of the Prepetition Collateral are governed by that certain Collateral Agency Agreement, dated as of November 17, 2017, by and among the Prepetition RBL Agent, the Prepetition FLMO Term Loan Agent and the Prepetition Senior Secured Collateral Agent, and the grantors party thereto (as amended, supplemented or otherwise modified from time to time, the "Collateral Agency Agreement"). Pursuant to the Collateral Agency Agreement, the Prepetition FLMO Term Loan Agent, on behalf of the Prepetition FLMO Secured Parties, agreed, among other things: (a) to subordinate the Prepetition FLMO Secured Parties' rights in the Prepetition Collateral (and proceeds thereof) to those of the Prepetition RBL Secured Parties; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted,

by the Prepetition RBL Secured Parties and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(vii) *Prepetition First Lien Last-Out Term Facility*. Pursuant to the Credit Agreement, dated as of August 12, 2016 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition FLLO Term Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined in the Prepetition FLLO Term Credit Agreement), collectively, the "Prepetition FLLO Term Loan Documents") by and among (a) CRC, as borrower (the "FLLO Term Loan Borrower"), (b) the lenders party thereto (collectively, the "Prepetition FLLO Term Loan Lenders", and together with the Secured Parties (as defined in the Prepetition FLLO Term Credit Agreement), the "Prepetition FLLO Secured Parties", and together with the Prepetition RBL Secured Parties and the Prepetition FLMO Secured Parties, the "Prepetition Senior Secured Parties") and (c) BNYM, as administrative agent and collateral agent (in such capacities, the "Prepetition FLLO Term Loan Agent"), the FLLO Term Loan Lenders provided term loans and other financial accommodations to the FLLO Term Loan Borrower, which were guaranteed by the guarantors party to the Guarantee, dated as of August 12, 2016 (together with the FLLO Term Loan Borrower, the "Prepetition FLLO Term Loan Parties").

(viii) *Prepetition First Lien Last-Out Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition FLLO Term Loan Parties were jointly and severally indebted to the Prepetition FLLO Term Loan Lenders in the aggregate principal amount of $1,000,000,000, *plus* accrued but unpaid interest, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the FLLO Term Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition FLLO Term Loan Documents (collectively, including any Obligations (as defined in the Prepetition FLLO Term Credit Agreement), the "Prepetition FLLO Obligations", and together with the Prepetition RBL Obligations and Prepetition FLMO Obligations, the "Prepetition Senior Obligations").

(ix) *Prepetition FLLO Liens*. To secure the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Parties granted to BNYM, as Prepetition FLLO Term Loan Agent, for the benefit of itself and the Prepetition FLLO Secured Parties, properly perfected and continuing first-priority "last-out" liens, mortgages and security interests (collectively, the "Prepetition FLLO Liens") in the Prepetition Collateral. The Prepetition FLLO Liens are *pari passu* with the Prepetition Senior Liens, subject to the terms of the Pari Passu Intercreditor Agreement (as defined below).

(x) *Pari Passu Intercreditor Agreement*. The Prepetition RBL Agent, Prepetition FLMO Term Loan Agent and Prepetition FLLO Term Loan Agent are party to the Pari Passu Intercreditor Agreement, dated as of August 15, 2016 (as amended, supplemented or otherwise modified from time to time, the "Pari Passu Intercreditor Agreement"), which governs the relative rights and remedies of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties,

on the one hand, and the Prepetition FLLO Secured Parties, on the other hand, and the relative priority of their respective security interests in the Prepetition Collateral. Pursuant to the Pari Passu Intercreditor Agreement, the Prepetition FLLO Term Loan Agent, on behalf of the Prepetition FLLO Secured Parties, agreed, among other things: (a) to subordinate the Prepetition FLLO Secured Parties' rights in the Prepetition Collateral (and proceeds thereof) to those of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted, by the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(xi) *Prepetition Second Lien Notes*. CRC issued its 8.00% Senior Secured Second Lien Notes due 2022 (the "Prepetition Second Lien Notes") pursuant to that certain Indenture, dated as of December 15, 2015 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition Second Lien Indenture", and together with all other agreements, documents, instruments and certificates executed or delivered in connection, collectively, the "Prepetition Second Lien Documents", and together with the Prepetition RBL Loan Documents, the Prepetition FLMO Term Loan Documents and the Prepetition FLLO Term Loan Documents, the "Prepetition Debt Documents"), by and among (a) CRC, as issuer (the "Second Lien Issuer"), (b) the guarantors party thereto (together with the Second Lien Issuer, the "Prepetition Second Lien Note Parties") and (c) BNYM, as trustee and collateral trustee (in such capacities, the "Prepetition Second Lien Collateral Trustee") for the equal and ratable benefit of the holders of notes issued pursuant thereto (the "Prepetition Second Lien Noteholders", and together with the Prepetition Second Lien Collateral Trustee, the "Prepetition Second Lien Secured Parties", and together with the Prepetition Senior Secured Parties, the "Prepetition Secured Parties").

(xii) *Prepetition Second Lien Note Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition Second Lien Note Parties were jointly and severally indebted to the Prepetition Second Lien Noteholders in the aggregate principal amount of $1,809,000,000, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition Second Lien Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition Second Lien Documents (collectively, including any Obligations (as defined in the Prepetition Second Lien Indenture), the "Prepetition Second Lien Note Obligations", and together with the Prepetition RBL Obligations, the Prepetition FLMO Obligations and the Prepetition FLLO Obligations, the "Prepetition Obligations").

(xiii) *Prepetition Second Lien Collateral*. To secure the Prepetition Second Lien Note Obligations, the Second Lien Note Parties granted to the Prepetition Second Lien Collateral Trustee, for the benefit of itself and the Prepetition Second Lien Secured Parties, properly perfected and continuing junior-priority liens, mortgages and security interests (collectively, the "Prepetition

Second Liens", and together with the Prepetition Senior Liens and the Prepetition FLLO Liens, the "Prepetition Liens") in the Prepetition Collateral.[4]

(xiv) *Second Lien Intercreditor Agreement.* The Prepetition RBL Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee are party to that certain Intercreditor Agreement dated as of December 15, 2015 (as amended, supplemented or otherwise modified from time to time, the "Second Lien Intercreditor Agreement", and together with the Pari Passu Intercreditor Agreement and Collateral Agency Agreement, the "Intercreditor Agreements"). Pursuant to the Second Lien Intercreditor Agreement, the Prepetition Second Lien Collateral Trustee, on behalf of the Prepetition Second Lien Secured Parties agreed, among other things: (a) that the Prepetition Senior Liens and the Prepetition FLLO Liens on the Prepetition Collateral are senior in all respects to the Prepetition Second Liens; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted, by the Prepetition RBL Secured Parties, the Prepetition FLMO Secured Parties, and the Prepetition FLLO Secured Parties, and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(xv) *Validity and Enforceability of Prepetition RBL Obligations and Prepetition Senior Liens*. (a) The Prepetition Senior Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition RBL Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Senior Liens are senior in priority over any and all other liens on the Prepetition Collateral (other than (x) liens expressly permitted to be senior to all Prepetition Senior Liens under the Prepetition RBL Credit Agreement, solely to the extent such permitted liens were existing, valid, enforceable, properly perfected and non-avoidable as of the Petition Date or that are perfected subsequent thereto as permitted by section 546(b) of the Bankruptcy Code (the "Permitted Prior Liens") and (y) the Prepetition FLLO Liens (which are *pari passu* with the Prepetition Senior Liens)); (c) the Prepetition RBL Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition RBL Loan Parties, enforceable in accordance with the terms of the Prepetition RBL Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims (as defined in the Bankruptcy Code), counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition RBL Obligations, the Prepetition RBL Loan Documents or the Prepetition Senior Liens and (B) assert any and all Claims or causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition RBL Secured Parties

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[4] For purposes of these stipulations, all references to Prepetition Collateral as to the Prepetition RBL Secured Parties, the Prepetition FLMO Secured Parties, the Prepetition FLLO Secured Parties and the Prepetition Second Lien Secured Parties excludes the "Excluded Property" as defined in each of the Prepetition RBL Credit Agreement, Prepetition FLMO Credit Agreement, Prepetition FLLO Credit Agreement and Prepetition Second Lien Indenture, respectively.

and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition RBL Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition RBL Loan Documents, the Prepetition Senior Liens or the Prepetition RBL Obligations, the Debtors' attempts to restructure the Prepetition RBL Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xvi) *Validity and Enforceability of Prepetition FLMO Obligations and Prepetition Senior Liens*. (a) The Prepetition Senior Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition FLMO Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Senior Liens are senior in priority over any and all other liens on the Prepetition Collateral (other than (x) Permitted Prior Liens and (y) the Prepetition FLLO Liens (which are *pari passu* with the Prepetition Senior Liens)); (c) the Prepetition FLMO Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition FLMO Term Loan Parties, enforceable in accordance with the terms of the Prepetition FLMO Term Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition FLMO Obligations, the Prepetition FLMO Term Loan Documents or the Prepetition Senior Liens and (B) assert any and all Claims, causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition FLMO Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition FLMO Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition FLMO Term Loan Documents, the Prepetition Senior Liens, the Prepetition FLMO Obligations, the Debtors' attempts to restructure the Prepetition FLMO Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim

Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xvii) *Validity and Enforceability of Prepetition FLLO Liens and Prepetition FLLO Obligations*. (a) The Prepetition FLLO Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition FLLO Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition FLLO Liens are *pari passu* with the Prepetition Senior Liens, subject to the Pari Passu Intercreditor Agreement, and senior in priority over any and all other liens on the Prepetition Collateral (other than any Permitted Prior Liens); (c) the Prepetition FLLO Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition FLLO Term Loan Parties, enforceable in accordance with the terms of the Prepetition FLLO Term Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Documents or the Prepetition FLLO Liens, respectively, and (B) assert any and all Claims, causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition FLLO Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition FLLO Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition FLLO Term Loan Documents, the Prepetition FLLO Liens, the Prepetition FLLO Obligations, the Debtors' attempts to restructure the Prepetition FLLO Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xviii) *Validity and Enforceability of Prepetition Second Liens and Prepetition Second Lien Note Obligations*. The Debtors acknowledge and agree that, as of the Petition Date: (a) The Prepetition Second Liens are valid, binding, enforceable, non-avoidable and properly perfected liens that were granted to, or for the benefit of, the Prepetition Second Lien Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Second Liens are junior in priority to the Permitted Prior Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, and are subject to the Second Lien Intercreditor Agreement; (c) the Prepetition Second Lien Note

Obligations constitute legal, valid, binding and non-avoidable obligations of the Second Lien Note Parties, enforceable in accordance with the terms of the Prepetition Second Lien Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition Second Lien Note Obligations, the Prepetition Second Lien Documents or the Prepetition Second Liens, respectively, and (B) assert any and all Claims or causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition Second Lien Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition Second Lien Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition Second Lien Documents, the Prepetition Second Liens or the Prepetition Second Lien Note Obligations, the Debtors' attempts to restructure the Prepetition Second Lien Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xix) *Cash Collateral*. All of the Debtors' cash existing on the Petition Date, wherever located (including, without limitation, any cash in deposit accounts of the Debtors or otherwise) constitutes cash collateral of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code to the extent that such cash constitutes Prepetition Collateral (subject in all respects to the Intercreditor Agreements) (the "Cash Collateral").

(xx) *No Control*. None of the Prepetition Secured Parties controls the Debtors or their properties or operations, has authority to determine the manner in which any of the Debtors' operations are conducted, or is a control person or insider of the Debtors or any of their affiliates by virtue of the actions taken with respect to, in connection with, related to, or arising from this Interim Order, the DIP Facilities, the DIP Loan Documents or the Prepetition Debt Documents.

F. *Findings Regarding Postpetition Financing*.

(i) *Request for Postpetition Financing*. The Debtors seek authority to (a) enter into the DIP Facilities on the terms described herein and in the DIP Loan Documents and (b) use Cash Collateral on the terms described herein and in the DIP Loan Documents in order to administer

the Chapter 11 Cases and fund their operations. At the Final Hearing, the Debtors will seek final approval of the DIP Loan Documents, the proposed postpetition financing arrangements, and use of Cash Collateral arrangements pursuant to the Final Order. Notice of the Final Hearing and Final Order will be provided in accordance with this Interim Order.

(ii) *Good Cause*. Good cause has been shown for entry of this Interim Order.

(iii) *Priming of Prepetition Liens.* The priming of the Prepetition Liens on the Prepetition Collateral under section 364(d)(1) of the Bankruptcy Code, as contemplated by this Interim Order and the DIP Facilities and as further described below, will enable the Debtors to obtain the DIP Facilities and to preserve and maximize the value of their estates to the benefit of their stakeholders. The Prepetition RBL Agent, on behalf of the Prepetition RBL Secured Parties, consents to the priming of the Prepetition Senior Liens as provided by and subject to the terms of this Interim Order and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; ***provided***, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition RBL Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents, (y) be construed as a consent by the Prepetition RBL Secured Parties to the terms of any other financing, other than the DIP Facilities, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition RBL Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition RBL Secured Parties. The Prepetition FLMO Term Loan Agent, on behalf of the Prepetition FLMO Secured Parties, has consented or (pursuant to the Collateral Agency Agreement) is deemed to consent to the priming of the Prepetition Senior Liens, the use of Cash

Collateral and the adequate protection pursuant to the DIP Facilities as provided in this Interim Order on the date hereof and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; *provided*, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition FLMO Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents as in effect on the date hereof, (y) be construed as a consent by the Prepetition FLMO Secured Parties to the terms of any other financing, other than the DIP Facilities as in effect on the date hereof, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition FLMO Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition FLMO Secured Parties. The Prepetition FLLO Term Loan Agent, on behalf of the Prepetition FLLO Secured Parties, has consented or (pursuant to the Pari Passu Intercreditor Agreement) is deemed to consent to the priming of the Prepetition FLLO Liens, the use of Cash Collateral and the adequate protection pursuant to the DIP Facilities as provided in this Interim Order on the date hereof and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; *provided*, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition FLLO Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents as in effect on the date hereof, (y) be construed as a consent by the Prepetition FLLO Secured Parties to the terms of any other financing, other than the DIP Facilities as in effect on the date hereof, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition

FLLO Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition FLLO Secured Parties. The Prepetition Second Lien Collateral Trustee, on behalf of the Prepetition Second Lien Secured Parties, has consented or (pursuant to the Second Lien Intercreditor Agreement) is deemed to consent to the priming of the Prepetition Second Liens, the use of Cash Collateral and the adequate protection provided in this Interim Order and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; ***provided***, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition Second Lien Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents, (y) be construed as a consent by the Prepetition Second Lien Secured Parties to the terms of any other financing, other than the DIP Facilities, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition Second Lien Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition Second Lien Secured Parties;.

(iv) *Immediate Need for Postpetition Financing and Use of Cash Collateral.* The Debtors' need to use Cash Collateral and to obtain credit pursuant to the Senior DIP Facility as provided for herein is immediate and necessary to avoid serious and irreparable harm to the Debtors, their estates, their creditors and other parties-in-interest, and to enable the Debtors to, among other things, fund the costs of these Chapter 11 Cases, make payroll and satisfy other working capital and general corporate purposes, administer and preserve the value of their estates. The Debtors'

need to obtain credit pursuant to the Junior DIP Facility to refinance the Prepetition RBL Obligations is a critical requirement to permit the Debtors to obtain financing under the Senior DIP Facility insofar as the Senior DIP Lenders have informed the Debtors that they will not make the Senior DIP Facility available without such refinancing. Repayment in full of the Prepetition RBL Obligations with the initial proceeds of the DIP Loans is appropriate because (i) the aggregate value of the Prepetition Collateral securing the Prepetition RBL Obligations exceeds the aggregate amount of the Prepetition RBL Obligations, (ii) the Prepetition RBL Lenders' senior liens and over-secured claims effectively preclude a non-consensual priming debtor-in-possession or exit financing facility and will require the payment in full of the Prepetition RBL Obligations in connection with these Chapter 11 Cases, (iii) it is a condition to closing the Senior DIP Credit Agreement, which provides liquidity to fund these Chapter 11 Cases and working capital during these Chapter 11 Cases, that the initial proceeds of the DIP Loans be used to repay the Prepetition RBL Obligations so that the Debtors' assets that secure the Prepetition RBL Obligations on a first lien basis will be available to secure on a priming lien basis the Senior DIP Obligations, and (iv) the Restructuring Support Agreement[5] among the Debtors and the Consenting Creditors (as defined therein) requires the Debtors to use the initial proceeds from the DIP Loans to repay Prepetition RBL Obligations and the failure to make such payment would give the Consenting Creditors the right to terminate the Restructuring Support Agreement. The ability of the Debtors to finance their operations, maintain business relationships with their vendors and suppliers, and pay their employees requires the availability of working capital from the Senior DIP Facility and the use of Cash Collateral. The Debtors' inability to access the interim financing under the DIP Facilities and use Cash Collateral

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5 "Restructuring Support Agreement" refers to that certain Restructuring Support Agreement, dated as of July 15, 2020, by and among CRC and each of its affiliates party thereto, the Consenting 2016 Term Loan Lenders, the Consenting 2017 Term Loan Lenders, the Consenting Second Lien Noteholders, and Ares.

will immediately and irreparably harm the Debtors, their estates, their creditors, and the Debtors' chances to successfully reorganize. The Debtors do not have sufficient available sources of unencumbered working capital and financing to operate their businesses or maintain their properties in the ordinary course of business without the DIP Facilities and authorized use of Cash Collateral. The terms of the DIP Facilities, the DIP Loan Documents and this Interim Order are fair and reasonable, reflect the Debtors' exercise of sound business judgment and are supported by reasonably equivalent value.

(v) *No Credit Available on More Favorable Terms.* The DIP Facilities are the best sources of debtor-in-possession financing available to the Debtors. Given their current financial condition, financing arrangements, and capital structure, the Debtors have been unable to obtain financing from sources other than the DIP Lenders on terms more favorable than those provided under the DIP Facilities and the DIP Loan Documents. The Debtors have been unable to obtain sufficient unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. The Debtors also have been unable to obtain sufficient credit (a) having priority over administrative expenses of the kind specified in sections 503(b), 507(a) and 507(b) of the Bankruptcy Code, (b) secured by a lien on property of the Debtors and their estates that is not otherwise subject to a lien, or (c) secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. Postpetition financing is not otherwise available without granting each DIP Agent, for the benefit of itself and the respective DIP Secured Parties: (1) the DIP Liens (as defined below) on all DIP Collateral, as set forth herein; (2) the Superpriority DIP Claims (as defined below); and (3) the refinancing of the Prepetition RBL Obligations as set forth herein and the other protections set forth in this Interim Order. After considering all alternatives, the Debtors have properly concluded, in the exercise of their sound business judgment, that the DIP Facilities

represent the best financing available to them at this time, and is in the best interests of all of their stakeholders.

(vi) *Use of Proceeds of the DIP Facilities and Cash Collateral.* As a condition to entry into the DIP Credit Agreements, the extension of credit under the DIP Facilities and the authorization to use Cash Collateral (including, without limitation, the proceeds of the DIP Facilities), the DIP Agents, the DIP Lenders, and the Prepetition Secured Parties require, and the Debtors have agreed, that Cash Collateral and the proceeds of the DIP Facilities shall be used only in a manner consistent with the terms and conditions of the DIP Loan Documents and this Interim Order (including to refund, refinance, replace and repay the RBL Loans and to reimburse any drawn amount of the DIP Letters of Credit), and solely in accordance with the Approved Budget (subject to Permitted Variances).

G. *Adequate Protection*. The Prepetition Secured Parties have consented, or have been deemed to consent, as applicable, to the subordination of their respective liens to the DIP Liens nd the Carve Out, and the Prepetition Secured Parties have agreed, or have been deemed to agree, to permit the Debtors' use of Prepetition Collateral (including Cash Collateral), in each case, in accordance with and subject to the terms hereof, the Approved Budget (subject to Permitted Variances) and the DIP Loan Documents. Subject to the Intercreditor Agreements, the Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363, 364 and 507 of the Bankruptcy Code, to adequate protection against the diminution in value of their respective interests in the Prepetition Collateral (including Cash Collateral) for any reason provided for and allowed by the Bankruptcy Code (collectively, the "Diminution in Value"), including, without limitation, any diminution resulting from the sale, lease or use by the Debtors of the Prepetition Collateral, the priming of the Prepetition Liens by the DIP Liens pursuant to the DIP Documents and this Interim

Order, the payment of any amounts under the Carve Out or pursuant to this Interim Order, the Final Order or any other order of the Court or provision of the Bankruptcy Code or otherwise, and the imposition of the Automatic Stay.

H. *Sections 506(c), 552(b), and Waiver of Marshaling*. As a material inducement to the DIP Lenders to agree to provide the DIP Facilities, and in light of (a) the DIP Secured Parties' agreement to subordinate their liens and superpriority claims to the Carve Out to the extent set forth herein, and (b) the Prepetition Secured Parties' agreement to (i) subordinate the Prepetition Liens and the Adequate Protection Liens (as defined below) to the DIP Liens, the Superpriority DIP Claims and the Carve Out (to the extent provided herein), and (ii) consent to the use of Cash Collateral in accordance with and subject to the Approved Budget (subject to Permitted Variances), the DIP Loan Documents and the terms of this Interim Order: (a) the DIP Agents, the DIP Lenders and the Prepetition Secured Parties are each entitled to receive a waiver of (x) the provisions of section 506(c) of the Bankruptcy Code and (y) application of the equitable doctrine of marshaling and other similar doctrines; and (b) the Prepetition Secured Parties are each entitled to receive a waiver of any "equities of the case" exceptions or claims under section 552(b) of the Bankruptcy Code, in each case, subject to the terms and conditions set forth in this Interim Order;

I. *Good Faith of the DIP Agents and the DIP Lenders*.

(i) *Willingness to Provide Financing*. The DIP Secured Parties have indicated a willingness to provide postpetition financing to the Debtors subject to, among other things: (a) the entry by the Court of this Interim Order and the Final Order; (b) approval by the Court of the terms and conditions of the DIP Facilities and the DIP Loan Documents; and (c) entry of findings by the Court that such financing is essential to the Debtors' estates, that the DIP Agents and the DIP Secured Parties are extending postpetition credit to the Debtors pursuant to the DIP Loan Documents and

this Interim Order in good faith, and that the DIP Agents' and DIP Secured Parties' claims, superpriority claims, security interests and liens and other protections granted pursuant to this Interim Order and the DIP Loan Documents will have the protections provided in section 364(e) of the Bankruptcy Code and will not be affected by any subsequent reversal, modification, vacatur, amendment, reargument or reconsideration of this Interim Order or any other order.

(ii) *Business Judgment and Good Faith Pursuant to Section 364(e)*. The terms and conditions of the DIP Facilities, including the extension of credit, the fees, and other amounts paid and to be paid thereunder, and the Cash Collateral arrangements described therein and herein: (a) are fair and reasonable; (b) are the best available to the Debtors under the circumstances; (c) reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties; and (d) are supported by reasonably equivalent value and fair consideration. The DIP Facilities and the use of Cash Collateral were negotiated in good faith and at arms' length among the Debtors, the DIP Agents, the DIP Secured Parties and the applicable Prepetition Secured Parties. The credit to be extended under the DIP Facilities shall be deemed to have been so advanced, made, used and/or extended in good faith, and for valid business purposes and uses, within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Agents and the DIP Secured Parties are therefore entitled to the protection and benefits of section 364(e) of the Bankruptcy Code and this Interim Order.

J. *Notice*. Notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by the Debtors, whether by email, facsimile, overnight courier or hand delivery, to certain parties-in-interest, including: (a) the U.S. Trustee; (b) the Debtors' 30 largest unsecured creditors (on a consolidated basis), (c) those persons who have formally appeared in

these chapter 11 cases and requested service pursuant to Bankruptcy Rule 2002; (d) the Securities and Exchange Commission; (e) the Internal Revenue Service; (f) all other applicable government agencies to the extent required by the Bankruptcy Rules or the Bankruptcy Local Rules; (g) counsel to the Senior DIP Agent; (h) counsel to the Junior DIP Agent; (i) counsel to the ad hoc group of Prepetition FLMO Secured Parties and Prepetition FLLO Secured Parties (which includes as members the Junior DIP Lenders) (the "Ad Hoc First Lien Group"); (j) counsel to the ad hoc group of Prepetition Second Lien Noteholders; (k) counsel to the Prepetition RBL Agent; (l) counsel to the Prepetition FLMO Term Loan Agent; (m) counsel to the Prepetition FLLO Term Loan Agent; (n) counsel to the Prepetition Second Lien Collateral Trustee; and (o) all other known parties with liens of record on assets of the Debtors as of the Petition Date (collectively, the "Notice Parties"). The Debtors have made reasonable efforts to afford the best notice possible under the circumstances and such notice is good and sufficient to permit the interim relief set forth in this Interim Order.

K. *Necessity of Immediate Entry*. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent entry of this Interim Order, the Debtors' businesses, properties and estates will be immediately and irreparably harmed. The Court concludes that entry of this Interim Order is in the best interest of the Debtors' estates and creditors.

NOW THEREFORE, based upon the foregoing findings and conclusions, the Motion, the First Day Declarations, the Mendelsohn Declaration and the record made before the Court with respect to the Motion at the Interim Hearing and otherwise, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, THAT:

1. Motion Approved. The Motion is hereby granted on an interim basis, on the terms and conditions set forth in this Interim Order and the DIP Loan Documents. All formal and informal objections to the interim relief sought in the Motion or to the entry of this Interim Order, to the extent not withdrawn or resolved, and all reservation of rights included therein, are hereby overruled.

2. Authorization of the DIP Facilities.

(a) Each DIP Facility is hereby approved. The Debtors are hereby expressly and immediately authorized and empowered (a) to establish the Senior DIP Facility and the Junior DIP Facility, (b) to execute, deliver and perform under the Senior DIP Loan Documents and the Junior DIP Loan Documents, and to borrow, incur, guarantee (as applicable), perform and pay the Senior DIP Obligations and the Junior DIP Obligations and create and grant the DIP Liens in the DIP Collateral in favor of the Senior DIP Agent for the benefit of the Senior DIP Secured Parties and in favor of the Junior DIP Agent for the benefit of the Junior DIP Secured Parties, in each case, in accordance with and subject to the terms of this Interim Order, the Approved Budget (subject to Permitted Variances) and the Senior DIP Loan Documents and Junior DIP Loan Documents, as applicable, (c) to execute, deliver and perform under any and all other instruments, certificates, agreements and documents which may be requested by either DIP Agent or the DIP Secured Parties, and (d) to take any and all other actions, which may be required, necessary or prudent for the performance by the applicable Debtors under the Senior DIP Facility, the Junior DIP Facility, the Senior DIP Loan Documents or the Junior DIP Loan Documents, the creation and perfection of the DIP Liens or to implement any of the transactions contemplated by the Senior DIP Loan Documents, the Junior DIP Loan Documents or this Interim Order. Without limiting the foregoing, the Debtors are hereby authorized and directed to pay, in accordance with this Interim Order (subject to paragraph 22(c) hereof), all Senior DIP Obligations and Junior DIP Obligations, which amounts are hereby

approved, shall not be subject to further approval of this Court and shall be non-refundable and not subject to challenge in any respect. Upon execution and delivery, the Senior DIP Loan Documents and the Junior DIP Loan Documents shall represent valid and binding obligations of the Debtors, enforceable against each of the Debtors and their estates, and the Senior DIP Obligations and Junior DIP Obligations shall be due and payable, in each case, in accordance with the terms of this Interim Order (subject to paragraph 22(c) hereof) and the Senior DIP Loan Documents and Junior DIP Loan Documents, respectively.

(b) For purposes hereof, the term "Senior DIP Obligations" means all "Obligations" (or any similar term that has a comparable meaning) as defined in the Senior DIP Credit Agreement, and shall include, without limitation, principal, interest, fees, costs, premiums, original issue discount, expenses, charges, prepayment premiums or similar amounts, any obligations in respect of indemnity claims, whether contingent or absolute, or any other amounts that are or may become due under the Senior DIP Loan Documents, including the Commitment Letter and the Fee Letter, in each case, whether or not such obligations arose before or after the Petition Date, as such amounts become earned, due and payable under the Senior DIP Loan Documents, without the need to obtain further Court approval. For purposes hereof, the term "Junior DIP Obligations" means all "Obligations" (or any similar term that has a comparable meaning) as defined in the Junior DIP Credit Agreement, and shall include, without limitation, principal, interest, fees, costs, premiums, original issue discount, expenses, charges, prepayment premiums or similar amounts, any obligations in respect of indemnity claims, whether contingent or absolute, or any other amounts that are or may become due under the Junior DIP Loan Documents whether or not such obligations arose before or after the Petition Date, as such amounts become earned, due and

payable under the Junior DIP Loan Documents, without the need to obtain further Court approval. The rights and remedies, and priority of payments, as between the Senior DIP Obligations and the Junior DIP Obligations are set forth in this Interim Order, which provisions shall govern notwithstanding anything to the contrary in any Senior DIP Loan Documents or Junior DIP Loan Documents. For purposes hereof, the term "DIP Obligations" means the Senior DIP Obligations and the Junior DIP Obligations.

(c) All outstanding RBL Letters of Credit are hereby deemed reissued as DIP Letters of Credit under the Senior DIP Facility.

(d) In addition, the Debtors shall pay to each Junior DIP Lender an Exit Premium (the "Exit Premium") in an amount equal to 2.50% of the aggregate principal amount of such Junior DIP Lender's allocated share of the Junior DIP Facility commitments in effect on the closing date of the Junior DIP Facility (the "Junior DIP Facility Closing Date") (prior to the funding the loans thereunder), which Exit Premium shall be payable by the Debtors in common stock of the reorganized Debtors solely on the effective date of the Plan (as defined in the Restructuring Support Agreement) at a price per share corresponding to the Set-Up Equity Value (as defined in the Restructuring Support Agreement); *provided* that the Exit Premium shall be payable without prejudice to Ares' rights under the Restructuring Support Agreement; and *provided further* that no Exit Premium shall be payable by the Debtors unless the Restructuring Support Agreement has been executed and delivered by both of (a) each Junior DIP Lender holding 2017 Term Loan Claims (as defined in the Restructuring Support Agreement) and (b) the holders of at least two-thirds in principal amount of the Deficiency/Unsecured Debt Claims (as defined in the Restructuring Support Agreement). The Exit Premium shall be deemed fully earned on the Junior DIP Facility Closing Date and payable on the effective date of the Plan (as defined in the Restructuring Support Agreement) but shall not

be payable in any circumstance other than on the Plan Effective Date (as defined in the Restructuring Support Agreement). Notwithstanding any contrary provision of this Order, any party in interest may request reconsideration of the authorization of this Exit Premium within fourteen (14) days of the entry of this Order and the Court may rescind, modify or condition such authorization as it determines appropriate in response to a timely request for reconsideration. If no request for reconsideration is timely received, the authorization of the Exit Premium shall be subject to Section 364(e) and the applicable provisions of this Order to the same extent as the authorization of the other terms of the Junior DIP Facility.

3. Authorization to Borrow. To prevent immediate and irreparable harm to the Debtors' estates, the Debtors are hereby authorized to borrow the Senior DIP Loans from the Senior DIP Lenders under the Senior DIP Facility, issue DIP Letters of Credit (including by having all RBL Letters of Credit deemed issued as DIP Letters of Credit) and use Senior DIP Loans under the New Money Subfacility to pay any reimbursement obligations in respect of any drawn DIP Letters of Credit (and the DIP Guarantors are hereby authorized to unconditionally guarantee, on a joint and several basis, the repayment of the Senior DIP Facility) up to an aggregate principal amount of $349,010,655.62, comprised of (a) $266,139,598.62 of Senior DIP Loans under the Senior New Money Subfacility, of which (i) $150,139,598.62 is available to deem the RBL Letters of Credit as being issued under the Senior New Money Subfacility as DIP Letters of Credit, and (ii) an additional amount not to exceed $31,000,000 is available to issue new DIP Letters of Credit to backstop surety bonds, and (iii) up to $85,000,000 is available for new money Senior DIP Loans and (b) the $82,871,057.00 Senior Roll-Up Subfacility, in each case subject to the terms and conditions set forth in this Interim Order and the Senior DIP Loan Documents. Subject to and effective upon entry of the Final Order, the Debtors shall be authorized to borrow the full amount of the Senior DIP

Loans from the Senior DIP Lenders under the Senior DIP Facility ($483,010,655.62). To prevent immediate and irreparable harm to the Debtors' estates, the Debtors are also hereby authorized to borrow the full amount of the Junior DIP Loans ($650,000,000) from the Junior DIP Lenders under the Junior DIP Facility (and the DIP Guarantors are hereby authorized to unconditionally guarantee, on a joint and several basis, the repayment of the Junior DIP Facility), subject to the terms and conditions set forth in this Interim Order and the Junior DIP Loan Documents. The Debtors are authorized and directed to use the proceeds of the Senior Roll-Up Subfacility ($82,871,057.00) and the Junior DIP Facility on the closing date of the Senior DIP Facility and the Junior DIP Facility to repay the outstanding RBL Loans, which repayment shall be subject to paragraph 29 hereof. The Senior DIP Secured Parties and Junior DIP Secured Parties shall have no obligation to make any loan or advance under the respective DIP Loan Documents or, with respect to the Senior DIP Secured Parties, issue any DIP Letter of Credit unless all of the conditions precedent to the making of such extension of credit under the applicable DIP Loan Documents and this Interim Order have been satisfied in full or waived in accordance with such DIP Loan Documents.

4. DIP Obligations. This Interim Order and the Senior DIP Loan Documents and the Junior DIP Loan Documents shall evidence the Senior DIP Obligations and Junior DIP Obligations respectively, which DIP Obligations shall, upon execution of the Senior DIP Loan Documents and Junior DIP Loan Documents, as applicable, be valid, binding and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any estate representative or trustee appointed in any of the Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or related to any of the foregoing, and/or upon the dismissal of any of the Chapter 11 Cases or any such successor cases (collectively, the "Successor Cases"), and their creditors and other parties-in-

interest, in each case, in accordance with the terms of this Interim Order and the applicable DIP Loan Documents. All obligations incurred, payments made, and transfers or grants of security and liens set forth in this Interim Order and/or the DIP Loan Documents by any Debtor are granted to or for the benefit of the Debtors for fair consideration and reasonably equivalent value, and are granted contemporaneously with the making of the loans and/or commitments and other financial accommodations secured thereby. Subject to paragraph 29 hereof with respect to the repayment of the Prepetition RBL Obligations, no obligation, payment, transfer, or grant of security or lien hereunder and/or under any DIP Loan Documents (including any Senior DIP Obligation, Junior DIP Obligations or DIP Liens) shall be stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 502(d), 544 and 547 to 550 of the Bankruptcy Code or under any applicable state Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counter-claim, cross-claim, defense, or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity.

5. DIP Liens.

(a) As security for the Senior DIP Obligations, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Senior DIP Agent, for the benefit of itself and each of the other Senior DIP Secured Parties, is hereby granted continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected security interests in and liens (collectively, the "Senior DIP Liens") on all DIP Collateral as collateral security for the prompt and

complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of all of the Senior DIP Obligations. Subject in all respects to the priorities and relative rights set forth herein, as security for the Junior DIP Obligations, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Junior DIP Agent, for the benefit of itself and each of the other Junior DIP Secured Parties, is hereby granted continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected security interests in and liens (collectively, the "Junior DIP Liens", together with the Senior DIP Liens, the "DIP Liens") on all DIP Collateral as collateral security for the prompt and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of all of the Junior DIP Obligations.

(b) The term "DIP Collateral" means, without limitation, all assets and properties (whether tangible, intangible, real, personal or mixed) of the Debtors, whether now owned by or owing to, or hereafter acquired by, or arising in favor of, the Debtors (including under any trade names, styles, or derivations thereof), and whether owned or consigned by or to, or leased from or to, the Debtors, and regardless of where located, including, without limitation, all of the Debtors' rights, title and interest in: (i) all Prepetition Collateral (including any Cash Collateral); (ii) all cash and cash equivalents; (iii) all funds in any deposit account, securities account or other account of the Debtors and all money, cash, cash equivalents, instruments and other property deposited therein or credited thereto from time to time; (iv) all accounts and other receivables; (v) all contract rights; (vi) all instruments, documents and chattel paper; (vii) all securities (whether or not marketable); (viii) all goods, as-extracted collateral, furniture, equipment, inventory and fixtures; (ix) all real property interests; (x) all interests in leaseholds, (xi) all franchise rights; (xii) all patents, tradenames, trademarks (other than intent-to-use trademarks), copyrights, licenses and all other

intellectual property; (xiii) all general intangibles, tax or other refunds, or insurance proceeds; (xiv) all equity interests, capital stock, limited liability company interests, partnership interests and financial assets; (xv) all investment property; (xvi) all supporting obligations; (xvii) all letters of credit issued to the Debtors and letter of credit rights; (xviii) commercial tort claims, claims and causes of action and all substitutions; (xix) all books and records (including, without limitation, customers lists, credit files, computer programs, printouts and other computer materials and records); (xxi) to the extent not covered by the foregoing, all other assets or properties of the Debtors, whether tangible, intangible, real, personal or mixed; (xxii) all oil reserves; (xxiii) all proceeds and products of each of the foregoing clauses (i)-(xxii) and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, including any and all proceeds of any insurance, indemnity, warranty or guaranty payable to such Debtor from time to time with respect to any of the foregoing; and (xxiv) all proceeds or property recovered in connection with actions under chapter 5 of the Bankruptcy Code ("Avoidance Actions"), *provided*, that (x) the DIP Liens on proceeds and property recovered in connection with Avoidance Actions shall attach only upon entry of the Final Order and (y) the DIP Collateral shall not include any property that would have been Excluded Property (as defined in the Senior DIP Credit Agreement) prior to giving effect to this Interim Order.

(c) To the fullest extent permitted by the Bankruptcy Code or applicable law, any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent or the payment of any fees or obligations to any governmental entity or non-governmental entity in order for the Debtors to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest or the proceeds thereof or other DIP Collateral, shall have no force or effect with

respect to the grant, attachment or perfection of DIP Liens on such leasehold interests or other applicable DIP Collateral or the proceeds of any assignment and/or sale thereof by any Debtor in favor of the DIP Secured Parties in accordance with the terms of the applicable DIP Loan Documents and this Interim Order or in favor of the Prepetition Secured Parties in accordance with this Interim Order.

6. Priority of Senior DIP Liens.

(a) The Senior DIP Liens shall have the following priorities:

(i) pursuant to section 364(c)(2) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected first priority liens on and security interests in all DIP Collateral that is not otherwise subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date or valid liens perfected (but not granted) after the Petition Date to the extent such post-petition perfection is permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out, including without limitation, any and all unencumbered cash, hydrocarbons and other inventory generated or produced after the Petition Date, accounts receivable, inventory, general intangibles, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, vehicles, deposit accounts, patents, copyrights, trademarks, tradenames, rights under license agreements and other intellectual property, capital stock of the subsidiaries of the Debtors and the proceeds of all of the foregoing (collectively, such DIP Collateral, "Unencumbered Assets");

(ii) pursuant to section 364(c)(3) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected junior liens on and security interests in all DIP Collateral other than Prepetition Collateral, that on or as of the Petition Date is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition

Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out and such Permitted Prior Liens; and

(iii) pursuant to section 364(d)(1) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable automatically and fully perfected first priority senior priming liens on and security interests in all DIP Collateral that also constitutes Prepetition Collateral, wherever located, which senior priming liens and security interests in favor of the Senior DIP Agent shall prime and be senior to each of the Prepetition Liens, and shall be subject only to the Carve Out.

(b) Except as expressly set forth herein, the Senior DIP Liens and the Senior Superpriority DIP Claims: (i) shall not be made subject to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates, any trustee or any other estate representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the dismissal of any of the Chapter 11 Cases or any Successor Cases, (B) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to sections 510, 549, 550 or 551 of the Bankruptcy Code or, subject to entry of the Final Order, section 506(c) of the Bankruptcy Code.

7. Priority of Junior DIP Liens.

(a) The Junior DIP Liens shall have the following priorities:

(i) pursuant to section 364(c)(2) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected second priority

liens on and security interests in all Unencumbered Assets, subject only to the Carve Out, the Senior DIP Liens and RBL Adequate Protection Liens (as defined below);

(ii) pursuant to section 364(c)(3) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected junior liens on and security interests in all DIP Collateral other than Prepetition Collateral, that on or as of the Petition Date is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out, such Permitted Prior Liens, the Senior DIP Liens and any RBL Adequate Protection Liens; and

(iii) pursuant to section 364(d)(1) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable automatically and fully perfected second priority senior priming liens on and security interests in all DIP Collateral that also constitutes Prepetition Collateral, wherever located, which senior priming liens and security interests in favor of the Junior DIP Agent shall prime and be senior to each of the Prepetition Liens (other than any liens securing the Prepetition RBL Obligations), and shall be subject only to the Carve Out, Permitted Prior Liens, the Senior DIP Liens and liens securing the Prepetition RBL Obligations.

(b) Except as expressly set forth herein (including paragraph 22(c) hereof), the Junior DIP Liens and the Junior Superpriority DIP Claims: (i) shall not be made subject to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates, any trustee or any other estate representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the dismissal of any of the Chapter 11 Cases or any

Successor Cases, (B) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to sections 510, 549, 550 or 551 of the Bankruptcy Code or, subject to entry of the Final Order, section 506(c) of the Bankruptcy Code.

8. Superpriority DIP Claims.

(a) Senior Superpriority Claims. Subject only to the Carve Out, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Senior DIP Agent, for itself and for the benefit of the Senior DIP Lenders, is hereby granted, pursuant to section 364(c)(1) and 364(e) of the Bankruptcy Code, an allowed superpriority administrative expense claim in each of the Chapter 11 Cases or any Successor Cases (the "Senior Superpriority DIP Claims"), on account of the Senior DIP Obligations, (a) with priority over any and all administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses, unsecured claims, or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, and (b) which shall at all times be senior to the rights of the Debtors or their estates, and any trustee appointed in the Chapter 11 Cases or any Successor Cases to the extent permitted by law. The Senior Superpriority DIP Claims shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis.

(b) Junior Superpriority Claims. Subject only to the Carve Out, the Senior Superpriority Claims and the RBL Adequate Protection Claims, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Junior DIP Agent, for itself and for the benefit of the Junior DIP Lenders, is hereby granted, pursuant to section 364(c)(1) and 364(e) of the Bankruptcy Code, an allowed superpriority administrative expense claim in each of the Chapter 11 Cases or any Successor Cases (the "Junior Superpriority DIP Claims", and together with the Senior Superpriority DIP Claims, the "Superpriority DIP Claims"), on account of the Junior DIP Obligations, (a) with priority over any and all administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses, unsecured claims, or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, and (b) which shall at all times be senior to the rights of the Debtors or their estates, and any trustee appointed in the Chapter 11 Cases or any Successor Cases to the extent permitted by law. The Junior Superpriority DIP Claims shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis.

9. Use of DIP Facility Proceeds. From and after the Closing Date, the Debtors shall be permitted to use the proceeds of the DIP Facilities and Cash Collateral only for the following purposes, in each case, solely in accordance with and subject to this Interim Order, the DIP Loan

Documents and the Approved Budget (subject to Permitted Variances): (a) to pay interest, fees, costs and expenses related to the DIP Loans; (ii) to pay the reasonable, documented and invoiced fees, costs and expenses of the estate professionals retained in the Chapter 11 Cases and approved by the Court (the "Estate Professionals"); (iii) to pay the fees, costs, disbursements and expenses of the DIP Secured Parties to the extent provided by the respective DIP Loan Documents; (iv) to make all permitted payments of costs of administration of the Chapter 11 Cases; (v) to pay such prepetition expenses as are consented to in writing by the Senior DIP Agent and the Majority Junior DIP Lenders (as defined below) and approved by the Court; (vi) to satisfy any adequate protection obligations owing under this Interim Order; (vii) to fully repay the Prepetition RBL Obligations; and (viii) for general corporate and working capital purposes of the Debtors during the Chapter 11 Cases.

10. Authorization to Use Cash Collateral. The Debtors are authorized to use Cash Collateral in accordance with the Approved Budget (subject to Permitted Variances) and subject to the terms and conditions of the DIP Loan Documents and this Interim Order, provided that the Prepetition Secured Parties are granted the Adequate Protections as hereinafter set forth. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any of the Debtors' use of any Cash Collateral or other proceeds resulting therefrom, except as permitted under this Interim Order and the DIP Loan Documents and in accordance with the Approved Budget (subject to Permitted Variances). The Prepetition Liens in the Prepetition Collateral, subject to the Intercreditor Agreements, shall continue to attach to the Cash Collateral irrespective of the commingling of the Cash Collateral with other cash of the Debtors (if any). Any failure by the Debtors on or after the Petition Date to comply with the segregation requirements of section 363(c)(4) of the Bankruptcy Code in respect of any

Cash Collateral shall not be used as a basis to challenge the Prepetition Obligations, or the extent, validity, enforceability or perfected status of the Prepetition Liens.

11. Adequate Protection. In consideration for the Debtors' use of the Prepetition Collateral (including Cash Collateral), and to protect the Prepetition Secured Parties against any Diminution in Value of their respective interests in the Prepetition Collateral, the Prepetition Secured Parties shall receive, subject to the Intercreditor Agreements, the following adequate protection:

(a) *RBL Adequate Protection Liens*. Pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Senior Secured Collateral Agent, for the benefit of the Prepetition RBL Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "RBL Adequate Protection Liens") (i) to the extent of any Diminution in Value and (ii) to the extent of any remaining unpaid portion of any Prepetition RBL Obligations (including any indemnity claims arising after the Petition Date and any Prepetition RBL Obligations subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid and the liens securing the Prepetition RBL Obligations shall not have been avoided), which security interests and liens will be junior only to the Senior DIP Liens, the Permitted Prior Liens and the Carve Out, and shall be senior in priority to all other liens, including the Junior DIP Liens, the FLMO Adequate Protection Liens (as defined below), the FLLO Adequate Protection Liens (as defined below), the Second Lien Adequate Protection Liens (as defined below) and the Prepetition Liens; *provided*, that the RBL Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral and proceeds therefrom shall be subject in all respects to the terms and conditions of the Collateral Agency Agreement, and, without limiting the foregoing or any other

terms of the Collateral Agency Agreement, any DIP Collateral proceeds distributed on account of the RBL Adequate Protection Liens shall be made in accordance with the Allocation Provisions contained in Section 3.06 of the Collateral Agency Agreement. Except for with respect to the Senior DIP Liens, the Permitted Prior Liens and the Carve Out, the Senior Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition RBL Obligations are discharged. The RBL Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the RBL Adequate Protection Liens.

(b) *RBL Adequate Protection Claim*. Pursuant to section 507(b) of the Bankruptcy Code, the Prepetition RBL Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "RBL Adequate Protection Claim") to the extent of any Diminution in Value and to the extent any unpaid portion of any Prepetition RBL Obligations (including any indemnity claims arising after the Petition Date and any Prepetition RBL Obligations subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid and the liens securing the Prepetition RBL Obligations shall not have been avoided), which claim shall be junior to the Senior Superiority DIP Claims and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or

any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The RBL Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code and shall be against each Debtor on a joint and several basis. Except for the Senior Superiority DIP Claims and the Carve Out, the RBL Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition RBL Obligations are paid in full.

(c) *RBL Interest*. As further adequate protection for the Prepetition RBL Secured Parties, the Debtors shall pay to the Prepetition RBL Agent for the ratable benefit of the Prepetition RBL Lenders, (i) no later than the earlier of (x) three (3) business days after entry of this Interim Order and (y) the closing date of the DIP Facilities, all accrued and unpaid interest, fees and costs due and payable under the Prepetition RBL Loan Documents as of such earlier date, in each case, calculated based on the applicable non-default rate set forth in the Prepetition RBL Credit Agreement; and (ii) to the extent any Prepetition RBL Obligations remain outstanding following the date described in the foregoing clause (i) (including any amount that is outstanding after any Prepetition RBL Obligations are reinstated), on the last business day of each calendar month

beginning the last business day of July, all accrued and unpaid postpetition interest, fees and costs due and payable under the Prepetition RBL Loan Documents, in each case, calculated based on the ABR non-default rate as set forth in the Prepetition RBL Credit Agreement. All parties' rights are reserved as to whether any interest paid pursuant to the foregoing clause (ii) shall be subject to recharacterization by the Court as payment of principal to the extent the Prepetition RBL Obligations are determined to be under-secured for purposes of section 506(b) of the Bankruptcy Code.

(d) *Prepetition Fees and Expenses*. The Debtors shall pay all prepetition and postpetition reasonable and documented fees, costs and expenses incurred by (i) the Prepetition RBL Agent, including all reasonable and documented fees and expenses of Simpson Thacher & Bartlett LLP ("Simpson Thacher"), Norton Rose Fulbright US LLP ("Norton Rose Fulbright"), Opportune LLP ("Opportune") and such other consultants or other professionals as may be retained by the Prepetition RBL Agent in accordance with the terms of the Prepetition RBL Credit Agreement, (collectively, the "RBL Agent Professionals"), (ii) one primary counsel and one local counsel retained by the Prepetition Senior Secured Collateral Agent, (iii) the Prepetition FLMO Term Loan Agent, including all reasonable and documented fees and expenses of Emmet, Marvin & Martin LLP ("Emmet Marvin"), (iv) the Prepetition FLLO Term Loan Agent, including all reasonable and documented fees and expenses of Emmet Marvin, (v) the Junior DIP Agent, including all documented fees and expenses of Ropes & Gray LLP ("Ropes"), (vi) the Ad Hoc First Lien Group (including all reasonable and documented fees and expenses of Davis Polk & Wardwell LLP ("Davis Polk"), Evercore Inc. ("Evercore"), Haynes and Boone, LLP ("Haynes and Boone"), Cox, Castle & Nicholson LLP ("Cox Castle"), Trimeric Corporation ("Trimeric"), Cornerstone Engineering,

Inc. ("Cornerstone"), ERM Consulting and Engineering Inc. ("ERM"), and Rapp & Krock, PC ("Rapp & Krock," collectively, the "Ad Hoc First Lien Group Professionals")), and (vii) Ares, including all reasonable and documented fees and expenses of incurred by Ares in connection with the Debtors' restructuring, including, but not limited to, Kirkland & Ellis LLP, Lazard, Ramboll Group A/S, E3 Consulting, Netherland, Sewell & Associates, Inc., Brownstein Hyatt Farber Schreck, LLP, Mayer Brown LLP, Capstone LLC, Lockston Companies, and Petru Corporation. The Debtors shall continue to pay any such fees, costs and expenses incurred by the Prepetition RBL Agent, including the reasonable and documented fees and expenses of the RBL Agent Professionals (including any such fees, costs and expenses incurred defending any Challenge) notwithstanding the repayment of the Prepetition RBL Obligations. The invoices for the reasonable and documented fees and expenses to be paid pursuant to this paragraph shall not be required to comply with the U.S. Trustee guidelines and shall not be required to contain time detail (and may contain redactions of privileged, confidential or otherwise sensitive information), and shall be provided to counsel to the Debtors, with a copy to the U.S. Trustee and counsel to any Committee appointed in the Chapter 11 Cases (collectively, the "Fee Notice Parties"). If no objection to payment of the requested fees and expenses are made, in writing and delivered to the applicable professionals and counsel to the Debtors (which delivery may be made via electronic mail) by any of the Fee Notice Parties within ten (10) calendar days after delivery of such invoices (the "Fee Objection Period"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors. If an objection (solely as to reasonableness) is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, then only the disputed portion of such fees and expenses shall not be paid until the objection is resolved by the applicable parties in good faith or by order of the Court, and the

undisputed portion shall be promptly paid by the Debtors. Notwithstanding the foregoing, the Debtors are authorized and directed to pay on the Closing Date the reasonable and documented fees, costs and expenses of the RBL Agent Professionals and Ad Hoc First Lien Group Professionals incurred on or prior to such date without the need to provide notice to any other party or otherwise comply with the procedures set forth in this paragraph.

(e) *FLMO Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Senior Secured Collateral Agent, for the benefit of the Prepetition FLMO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "Prepetition FLMO Adequate Protection Liens"), which security interests and liens will be junior only to the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the Carve Out, and shall be senior in priority to all other liens, including the FLLO Adequate Protection Liens, the Second Lien Adequate Protection Liens) and the Prepetition Liens; *provided*, that the FLMO Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral and proceeds therefrom shall be subject in all respects to the terms and conditions of the Collateral Agency Agreement, and, without limiting the foregoing or any other terms of the Collateral Agency Agreement, any DIP Collateral proceeds distributed on account of the FLMO Adequate Protection Liens shall be made in accordance with the Allocation Provisions contained in Section 3.06 of the Collateral Agency Agreement. Except for with respect to the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the Carve Out, the FLMO Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security

interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLMO Obligations are paid in full. The FLMO Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the FLMO Adequate Protection Liens.

(f) *FLMO Adequate Protection Claim*. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition FLMO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "FLMO Adequate Protection Claim"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The FLMO Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a

joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim and the Carve Out, the FLMO Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLMO Obligations are paid in full.

(g) *FLLO Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition FLLO Term Loan Agent, for the benefit of itself and the other Prepetition FLLO Secured Parties, immediately upon the entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "FLLO Adequate Protection Liens"), which security interests and liens will be junior only to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the FLMO Adequate Protection Liens, and shall be senior in priority to all other liens, including the Second Lien Adequate Protection Liens and the Prepetition Liens; *provided*, that the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral or proceeds therefrom shall be subject in all respects to the terms and conditions of the Pari Passu Intercreditor Agreement, and, without limiting the foregoing or any other terms of the Pari Passu Intercreditor Agreement, any DIP Collateral proceeds distributed on account of the FLLO Adequate Protection Liens shall be made in accordance with the Allocation

Provisions contained in Section 6.01 of the Pari Passu Intercreditor Agreement. Except for with respect to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLLO Obligations are paid in full. The FLLO Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the FLLO Adequate Protection Liens.

(h) *FLLO Adequate Protection Claim*. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition FLLO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "FLLO Adequate Protection Claim"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy

Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The FLLO Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the Carve Out, the FLLO Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLLO Obligations are paid in full.

(i) *Second Lien Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Second Lien Collateral Trustee, for the benefit of itself and the other Prepetition Second Lien Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "Second Lien Adequate Protection Liens", and together with the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens, the "Adequate Protection Liens"), which security interests and liens will be junior to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens, the FLLO Adequate Protection Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, and shall be senior in priority to all other

liens. Except with respect to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens the FLLO Adequate Protection Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, the Second Lien Adequate Protection Liens shall not be made subject to or pari passu with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition Second Lien Note Obligations are paid in full. The Second Lien Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be pari passu with or senior to the Second Lien Adequate Protection Liens.

(j) Second Lien Adequate Protection Claim. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition Second Lien Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "Second Lien Adequate Protection Claim", and together with the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the FLLO Adequate Protection Claim, the "Adequate Protection Claims"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim, the FLLO Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered

pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The Second Lien Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim, the FLLO Adequate Protection Claim and the Carve Out, the Second Lien Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition Second Lien Obligations are paid in full.

(k) *Additional Adequate Protection*.

(i) Information; Access to Books and Records. The Debtors will provide to the Prepetition RBL Agent (so long the Prepetition RBL Obligations have not been discharged), the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee (and subject to any restrictions on posting material non-public information to public lenders set forth in the

Prepetition Debt Documents) any and all reports and information required to be delivered pursuant to the DIP Credit Agreement, including any Updated Budget and variance reports.

(ii) Maintenance of Collateral. The Debtors shall continue to maintain and insure the Prepetition Collateral in amounts and for the risks, and by the entities, as required under the Prepetition RBL Documents (as long as the Prepetition RBL Obligations have not been discharged), the Prepetition FLMO Tem Loan Documents the Prepetition FLLO Term Loan Documents and the Prepetition Second Lien Documents.

(l) Termination of Consent to Use Cash Collateral. Upon indefeasible payment in full of all DIP Obligations, the following events shall permit Majority Prepetition FMLO Secured Parties to immediately seek to terminate the Debtors' right to use Cash Collateral pursuant to this Interim Order, and to immediately seek relief from the automatic stay to proceed to protect, enforce and exercise all other rights and remedies provided under the Prepetition FLMO Term Loan Documents or applicable law: (1) the Debtors fail to satisfy any Milestone in Section 10.15 of the Senior DIP Credit Agreement; (2) the Debtors fail to update the Approved Budget as contemplated by the Senior DIP Credit Agreement or to comply with the provisions relating to permitted variances from such Approved Budget; (3) the Debtors file, support, make a written proposal or counterproposal to any party relating to, or take any other similar action in furtherance of a chapter 11 plan, sale process or other restructuring transaction that (A) does not provide for the indefeasible payment on the effective date thereof of all claims on account of the Prepetition FLMO Obligations in full in cash or (B) is not approved by the Required FLMO Term Lenders (as defined below) (in each case, a "Non-Consensual Action"); or (4) the Debtors provide notice to counsel to the Ad Hoc First Lien Group of any such Non-Consensual Action (the "Non-Consensual Restructuring Notice").

The Debtors shall provide a Non-Consensual Restructuring Notice to counsel to the Ad Hoc First Lien Group not less than seven (7) days before taking any Non-Consensual Action *provided*, that the Debtors' obligation to provide such notice will terminate in the event that either (x) the Restructuring Support Agreement has been terminated by the Debtors due to a material breach by the Required Consenting Creditors or (y) the Backstop Commitment Agreement has been terminated due to the Backstop Parties terminating their Backstop Commitments (each, as defined in the Restructuring Support Agreement).

(m) *Adequate Protection Reservation*. The receipt by the Prepetition Secured Parties of the adequate protection provided pursuant to this Interim Order shall not be deemed an admission that the interests of the Prepetition Secured Parties are indeed adequately protected. Further, this Interim Order shall not prejudice or limit the rights of the Prepetition RBL Secured Parties (so long any Prepetition RBL Obligations are outstanding) or the other Prepetition Secured Parties (subject to the terms of the applicable Intercreditor Agreements) to seek additional relief with respect to the use of Cash Collateral or for additional adequate protection, including without limitation in the event of termination of the Restructuring Support Agreement or any failure of any of the milestones in the Restructuring Agreement to be timely achieved, provided that (a) any such additional or alternative adequate protection approved by the Court in respect of the Prepetition RBL Obligations shall at all times be subordinate and junior to the Carve Out, the Senior DIP Obligations and the Senior DIP Liens granted under this Interim Order and the DIP Loan Documents and (b) any such additional or alternative adequate protection approved by the Court in respect of the Prepetition FLMO Obligations, Prepetition FLLO Obligations and Prepetition Second Obligations shall at all times be subordinate and junior to the Carve Out, the Superpriority DIP Claims, the DIP Obligations and the DIP Liens granted under this Interim Order and the DIP Loan

Documents. Without limiting the foregoing, nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided hereunder is insufficient to compensate for any Diminution in Value during any of the Chapter 11 Cases.

12. Amendments. (x) The Debtors, the Senior DIP Agent and the Senior DIP Secured Parties, are hereby authorized to enter into the Senior DIP Loan Documents and implement, in accordance with the terms of the Senior DIP Loan Documents one or more amendments, waivers, consents or other modifications to and under the Senior DIP Loan Documents, in each case in such form as the Debtors, the Senior DIP Agent and the Majority Lenders (as defined in the Senior DIP Credit Agreement) (the "Majority Senior DIP Lenders") may agree, and no further approval of the Court shall be required for non-material amendments, waivers, consents or other modifications to and under the Senior DIP Loan Documents (and any reasonable fees and expenses paid in connection therewith); and (y) the Debtors, the Junior DIP Agent and the Junior DIP Secured Parties, are hereby authorized to enter into the Junior DIP Loan Documents and implement, in accordance with the terms of the Junior DIP Loan Documents one or more amendments, waivers, consents or other modifications to and under the Junior DIP Loan Documents, in each case in such form as the Debtors, the Junior DIP Agent and the Majority Lenders (as defined in the Junior DIP Credit Agreement) (the "Majority Junior DIP Lenders") may agree, and no further approval of the Court shall be required for non-material amendments, waivers, consents or other modifications to and under the Junior DIP Loan Documents (and any reasonable fees and expenses paid in connection therewith); *provided*, *however*, that in the case of both of the foregoing clauses (x) and (y), the Debtors shall provide notice of any material amendment, waiver, consent or other modification under the Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable, to counsel to any Committee,

counsel to the applicable non-amending DIP Agent, counsel to the applicable non-amending DIP Secured Parties, and the United States Trustee three (3) calendar days prior to the effective date thereof to the extent practicable. If no objections are timely received (or if the U.S. Trustee, such DIP Agent, such DIP Secured Parties or the Committee indicate via electronic mail or otherwise that they have no objection) to a material amendment within three (3) calendar days from the date of delivery of such notice, the Debtors may proceed to execute such amendment, which shall become effective immediately upon execution.

13. Budget Covenants.

(a) *Initial Budget and Updated Budget.* The use of Cash Collateral and borrowings and other extensions of credit under the DIP Loan Documents shall be in accordance with the Approved Budget (subject to Permitted Variances). The Debtors have prepared and delivered to the Senior DIP Agent and Majority Junior DIP Lenders, and the Senior DIP Agent and Majority Junior DIP Lenders have approved, an initial budget, a copy of which is attached hereto as Exhibit 3 (the "Initial Budget"), which reflects the Debtors' anticipated cash receipts and all anticipated necessary and required disbursements of the DIP Borrower and its restricted subsidiaries, including (i) individual line items for "Total Receipts," "Total Operating Disbursements," "Professional Fees," "Operating AP Payments," "Payroll/Payroll Taxes," and "Elk Hills Power Capacity/Reimbursement" and (ii) anticipated uses of the DIP Facilities for such period, for each calendar week during the period from the Petition Date through and including the end of the thirteenth (13th) calendar week following the Petition Date. The Initial Budget, and each Updated Budget (as defined below), once approved in accordance herewith, shall be deemed the "Approved Budget" for all purposes hereof until superseded by another Approved Budget pursuant to the provisions set forth below.

(b) *Updated Budget*. Beginning on July 28, 2020, and every four (4) weeks thereafter while any DIP Obligations are outstanding, the Debtors shall prepare in good faith and deliver to the DIP Agents, the DIP Agents' professional advisors, and the professional advisors to the Majority Junior DIP Lenders an updated 13-week cash flow forecast consistent in form and substance with the Initial Budget and otherwise in form and substance acceptable to the Senior DIP Agent, the Majority Senior DIP Lenders, and reasonably acceptable to the Majority Junior DIP Lenders, as and to the extent required by the DIP Credit Agreements (each such updated forecast, an "Updated Budget"). Each Updated Budget shall be accompanied by such supporting documentation in accordance with the terms of the DIP Credit Agreements. For the avoidance of doubt, no amendment, modification or update to an Approved Budget shall be effective without the approval of the Senior DIP Agent, Majority Senior DIP Lenders and, so long as no Senior DIP Event of Default (as defined below) has occurred and is continuing, the Majority Junior DIP Lenders, and in accordance with the terms of the applicable DIP Credit Agreements.

(c) *Variance Reporting*. The Debtors are subject to the variance reporting and testing as set forth in, and in accordance with the terms of, the DIP Credit Agreements. Concurrently with the delivery of each Updated Budget, the Debtors shall deliver to the DIP Agents, the DIP Agents' professional advisors, and the professional advisors to the Majority Junior DIP Lenders the weekly cash balance reporting and variance reporting required under the DIP Credit Agreements. Variances in excess of the Permitted Variance (as defined in each DIP Credit Agreement) from the Approved Budget, and any proposed changes to the Approved Budget, shall be subject to written agreement by the Debtors and the Senior DIP Agent and, so long as no Senior DIP Event of Default has occurred and is continuing, the Majority Junior DIP Lenders, in each case without further notice, motion or application to, order of, or hearing before, the Court.

14. Modification of Automatic Stay. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified as necessary to permit: (a) the Debtors to grant the DIP Liens and the Superpriority DIP Claims, and to perform such acts as the DIP Agents or the Majority Senior DIP Lenders or Majority Junior DIP Lenders may request to assure the perfection and priority of the DIP Liens; (b) the Debtors to take all appropriate action to grant the Adequate Protection Liens and the Adequate Protection Claims set forth herein, and to take all appropriate action to ensure that the Adequate Protection Liens granted hereunder are perfected and maintain the priority set forth herein; (c) the Debtors to incur all liabilities and obligations, including all the DIP Obligations, to the DIP Secured Parties and the Prepetition Secured Parties as contemplated under this Interim Order and/or the DIP Loan Documents; (d) the Debtors to pay all amounts referred to, required under, in accordance with, and subject to the DIP Loan Documents and this Interim Order; (e) the DIP Secured Parties and the Prepetition Secured Parties to retain and apply payments made in accordance with the DIP Loan Documents and/or this Interim Order; (f) subject to paragraph 22 hereof, the DIP Agents and the DIP Lenders to exercise, upon the occurrence and during the continuance of an Event of Default (as defined in the Senior DIP Credit Agreement) (a "Senior DIP Event of Default") or an Event of Default (as defined in the Junior DIP Credit Agreement) (a "Junior DIP Event of Default"), subject to the Remedies Notice Period (as defined below), all rights and remedies provided for in the DIP Loan Documents and take any or all actions provided therein; (g) the Debtors to perform under the DIP Loan Documents and any and all other instruments, certificates, agreements and documents which may be required, necessary or prudent for the performance by the applicable Debtors under the DIP Loan Documents and any transactions contemplated therein or in this Interim Order; and (h) the implementation of all of the terms, rights, benefits, privileges, remedies and provisions of this Interim Order and the DIP Loan Documents, in each case, without

further notice, motion or application to, or order of, or hearing before, this Court, subject to the terms of this Interim Order.

15. Perfection of DIP Liens and Postpetition Liens. This Interim Order shall be sufficient and conclusive evidence of the validity, perfection and priority of all security interests and liens granted herein, including, without limitation, the DIP Liens and the Adequate Protection Liens, without the necessity of executing, filing or recording any financing statement, mortgage, notice or other instrument or document that may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any securities or deposit account control agreement or taking possession of any possessory collateral) to validate or perfect (in accordance with applicable law) such liens, or to entitle the Prepetition Secured Parties and the DIP Secured Parties to the priorities granted herein. Notwithstanding the foregoing, each of the Senior DIP Agent, Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, without any further consent of any party, is authorized to execute, file or record, and the Senior DIP Agent, Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, may require the execution, filing or recording, as each, in its sole discretion deems necessary, of such financing statements, mortgages, notices of lien, and other similar documents to enable the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, to further validate, perfect, preserve and enforce the DIP Liens or

other liens and security interests granted hereunder, or perfect in accordance with applicable law or to otherwise evidence the DIP Liens and/or the Adequate Protection Liens, as applicable, and all such financing statements, mortgages, notices, and other documents shall be deemed to have been executed, filed or recorded as of the Petition Date; *provided*, *however*, that no such execution, filing or recordation shall be necessary or required in order to create or perfect the DIP Liens and/or the Adequate Protection Liens. The Debtors are authorized and directed to execute and deliver promptly upon demand to the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, all such financing statements, notices, and other documents as the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, may reasonably request. The Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, each in its discretion, may file a photocopy of this Interim Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, notices of lien, or similar instruments, and in such event, the filing or recording office shall be authorized to file or record such photocopy of this Interim Order.

16. Protection of DIP Lenders' Rights and Adequate Protection Liens. So long as there are any DIP Obligations outstanding, the Prepetition Secured Parties (other than the Prepetition RBL Secured Parties as set forth in paragraph 22(c) hereof) shall (a) absent the written consent of

the DIP Agents, have no right to, and take no action to, foreclose upon or recover in connection with the liens granted thereto pursuant to the Prepetition Debt Documents or this Interim Order or otherwise seek or exercise any enforcement rights or remedies against any DIP Collateral or in connection with the debt and obligations underlying the Prepetition Debt Documents or the Adequate Protection Liens, including, without limitation, in respect of the occurrence or continuance of any Event of Default (as defined in each of the applicable Prepetition Debt Documents), (b) be deemed to have consented to any release of DIP Collateral authorized under the DIP Loan Documents (but not any proceeds of such transfer, disposition or sale to the extent remaining after payment in full in cash of the DIP Obligations), (c) not file any further financing statements, patent filings, trademark filings, copyright filings, mortgages, memoranda of lease, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral unless, solely as to this clause (c), the DIP Agents file financing statements or other documents to perfect the liens granted pursuant to the DIP Loan Documents and/or this Interim Order, or as may be required by applicable state law to continue the perfection of valid and unavoidable liens or security interests as of the date of filing, and (d) deliver or cause to be delivered, at the Debtors' costs and expense (for which the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee shall be reimbursed upon submission to the Debtors of invoices or billing statements), any termination statements, releases and/or assignments (to the extent provided for herein) in favor of the DIP Agents and the DIP Lenders or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of Adequate Protection Liens, the Prepetition Senior Liens, the Prepetition FLLO Liens or the Prepetition Second

Liens on any portion of the DIP Collateral subject to any sale or disposition approved or arranged for by any DIP Agent.

17. Protection of DIP Lenders Rights. To the extent any Prepetition Secured Party has possession of any Prepetition Collateral or DIP Collateral or has control with respect to any Prepetition Collateral or DIP Collateral, or has been noted as secured party on any certificate of title for a titled good constitution Prepetition Collateral or DIP Collateral, then such Prepetition Secured Party shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the Senior DIP Agent, the Senior DIP Secured Parties, the Junior DIP Agent and the Junior DIP Secured Parties, and such Prepetition Secured Party and the applicable Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent, or the Prepetition Second Lien Collateral Trustee shall comply with the instruction of the Senior DIP Agent, acting at the direction of the Majority Senior DIP Lenders, with respect to the exercise of such control. To the extent that the Senior DIP Agent or any other Senior DIP Secured Party has possession of any Prepetition Collateral or DIP Collateral or has control with respect to any Prepetition Collateral or DIP Collateral, or has been noted as secured party on any certificate of title for a titled good constituting Prepetition Collateral or DIP Collateral, then such Senior DIP Secured Party shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the Junior DIP Agent and the Junior DIP Secured Parties, subject to the priorities set forth in paragraph 6 above and other terms of this Order; provided that following the Discharge of the Senior DIP Obligations, the Senior DIP Agent shall deliver Junior DIP Agent, at

the Debtors' sole cost and expense, the Prepetition Collateral or DIP Collateral in its possession together with any necessary endorsements to the extent required by the Junior DIP Documents.

18. Proceeds of Subsequent Financing. Without limiting the provisions of the immediately preceding paragraph, if the Debtors, any trustee, any examiner with enlarged powers or any responsible officer subsequently appointed in any of the Chapter 11 Cases or any Successor Cases shall obtain credit or incur debt pursuant to sections 364(b), (c), or (d) of the Bankruptcy Code in violation of this Interim Order or the DIP Loan Documents at any time prior to the indefeasible payment in full in cash of all of the DIP Obligations, the satisfaction of the Superpriority DIP Claims, and the termination of the DIP Agents' and the DIP Lenders' obligations to extend credit under the DIP Facilities and this Interim Order, including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors' estates, then unless otherwise agreed by the DIP Agents all of the cash proceeds derived from such credit or debt shall immediately be turned over first, to the Senior DIP Agent to be applied to the Senior DIP Obligations pursuant to the Senior DIP Credit Agreement until the Discharge of Senior DIP Obligations (as defined below) occurs and second (but subject to paragraph 22(c) hereof), to the Junior DIP Agent to be applied to the Junior DIP Obligations pursuant to the Junior DIP Credit Agreement.

19. Maintenance of DIP Collateral. The Debtors shall continue to maintain all property, operational and other insurance as required and as specified in the DIP Loan Documents. The Debtors shall provide the DIP Agents and their respective counsel (for distribution to the DIP Secured Parties) with commercially reasonable evidence of such insurance upon a request to counsel for the Debtors. Upon entry of this Interim Order and to the fullest extent provided by applicable law, the DIP Agents (on behalf of the DIP Secured Parties) shall be, and shall be deemed to be, without any

further action or notice, named as additional insureds and lender's loss payees on each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral. The Debtors shall also maintain the cash management system in effect as of the Petition Date, as modified by this Interim Order and any order of the Court authorizing the continued use of the cash management system.

20. Disposition of DIP Collateral. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral (or enter into any binding agreement to do so) other than in the ordinary course of business without the prior written consent of the Majority Senior DIP Lenders or as otherwise provided for in the Senior DIP Loan Documents and, so long as no Senior DIP Event of Default has occurred and is continuing, the prior written consent of the Majority Junior DIP Lenders or as otherwise provided for in the Junior DIP Loan Documents.

21. Termination Date. Each of the following shall constitute a termination event under this Interim Order (each a "Termination Event", and the date upon which such Termination Event occurs, the "Termination Date"), unless waived in writing (delivery by email or other electronic means being sufficient) by both DIP Agents and the Majority Junior DIP Lenders: (a) the occurrence of the maturity date of either DIP Facility; (b) the date that is thirty-five (35) days after the Petition Date if the Final Order, in form and substance acceptable to each DIP Agent and the Majority Junior DIP Lenders, has not been entered by the Court; (c) the occurrence of a Senior DIP Event of Default; or (d) the occurrence of a Junior DIP Event of Default.

22. Rights and Remedies Upon Termination Event.

(a) Upon the occurrence and during the continuation of a Termination Event, either DIP Agent may (and any automatic stay otherwise applicable to the DIP Secured Parties,

whether arising under sections 105 or 362 of the Bankruptcy Code or otherwise, but subject to the terms of this Interim Order (including this paragraph) is hereby modified, without further notice to, hearing of, or order from this Court, to the extent necessary to permit each DIP Agent to, upon delivery of written notice (a "Termination Notice") (including by e-mail) to lead restructuring counsel to the Debtors, lead restructuring counsel to the other DIP Agent, lead restructuring counsel to the other applicable DIP Secured Parties, lead restructuring counsel to any Committee, lead restructuring counsel to the Prepetition RBL Agent, lead restructuring counsel to the Prepetition Senior Secured Collateral Agent, lead restructuring counsel to the Prepetition FLMO Term Loan Agent, lead restructuring counsel to the Prepetition FLLO Term Loan Agent, lead restructuring counsel to the Prepetition Second Lien Collateral Trustee and the U.S. Trustee, (the "Remedies Notice Parties"), unless the Court orders otherwise prior to five (5) business days after delivery of such Termination Notice (such five (5) business day period, the "Remedies Notice Period"): (a) immediately terminate and/or revoke the Debtors' right under this Interim Order and any other Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable, to use any Cash Collateral; (b) terminate the applicable DIP Facility and any applicable DIP Loan Document as to any future liability or obligation of the Senior DIP Secured Parties or Junior DIP Secured Parties, as applicable, but without affecting any of the DIP Obligations or the DIP Liens securing such DIP Obligations; (c) declare all Senior DIP Obligations or Junior DIP Obligations, as applicable, to be immediately due and payable; and (d) invoke the right to charge interest at the default rate under the Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable. Upon delivery of such Termination Notice by either DIP Agent, without further notice or order of the Court, the DIP Secured Parties' and the Prepetition Secured Parties' consent to use Cash Collateral and the Debtors' ability to incur additional DIP Obligations hereunder will, subject to the expiration of the

Remedies Notice Period, automatically terminate and the DIP Secured Parties will have no obligation to provide any DIP Loans or other financial accommodations.

(b) Following a Termination Event, but prior to exercising the remedies set forth in this sentence below, the Senior DIP Secured Parties shall be required to file a motion with the Court seeking emergency relief (the "Stay Relief Motion") on five (5) business days' notice to the Remedies Notice Parties (which shall run concurrently with the Remedies Notice Period) for a further order of the Court modifying the automatic stay in the Chapter 11 Cases to permit the Senior DIP Secured Parties (but not the Junior DIP Secured Parties) to: (a) freeze monies or balances in the Debtors' accounts; (b) immediately set-off any and all amounts in accounts maintained by the Debtors with the Senior DIP Agent or the Senior DIP Secured Parties against the Senior DIP Obligations, (c) enforce any and all rights against the DIP Collateral, including, without limitation, foreclosure on all or any portion of the DIP Collateral, collection of accounts receivable, occupying the Debtors' premises, sale or disposition of the DIP Collateral; and (d) take any other actions or exercise any other rights or remedies permitted under this Interim Order, the Senior DIP Loan Documents or applicable law. The rights and remedies of the Senior DIP Secured Parties specified herein are cumulative and not exclusive of any rights or remedies that the Senior DIP Secured Parties have under the Senior DIP Loan Documents or otherwise. If the Senior DIP Secured Parties are permitted by the Court to take any enforcement action with respect to the DIP Collateral following the hearing on the Stay Relief Motion, the Debtors shall cooperate with the Senior DIP Secured Parties in their efforts to enforce their security interest in the DIP Collateral, and shall not take or direct any entity to take any action designed or intended to hinder or restrict in any respect such Senior DIP Secured Parties from enforcing their security interests in the DIP Collateral. Until the Discharge of Senior DIP Obligations, the Junior DIP Agent and Junior DIP

Secured Parties shall not have the right to exercise or enforce any rights and remedies against the Debtors or the DIP Collateral (other than as set forth in paragraph 22(a) above). Following the Discharge of Senior DIP Obligations, the Junior DIP Agent on behalf of the Junior DIP Secured Parties may exercise the rights and remedies set forth in this paragraph 22(b).

(c) Notwithstanding anything herein to the contrary in this Interim Order or any DIP Loan Document, until the Senior DIP Obligations are indefeasibly paid in full in cash (other than (i) secured hedge obligations that, at the time of such determination, are allowed by the person to whom such secured hedge obligations are owing to remain outstanding or are not required to be repaid or cash collateralized pursuant to the provisions of any document governing such secured hedge obligations or have been assigned or novated concurrently with such payment, (ii) secured cash management obligations and (iii) contingent indemnification obligations not then due and payable), the commitments to advance credit thereunder are terminated and all issued and undrawn DIP Letters of Credit are replaced or cash collateralized in accordance with the Senior DIP Credit Agreement (collectively, the "Discharge of Senior DIP Obligations"), the Junior DIP Agent and the Junior DIP Secured Parties shall not receive or retain any payments, distributions or other amounts on account of the Junior DIP Obligations (other than the agency fees, the upfront fee, the Exit Premium and expenses payable under the Junior DIP Loan Documents and this Interim Order, including professional fees and expenses), whether such payments, distributions or amounts are from proceeds of the DIP Collateral or refinancing of the Junior DIP Facility or from any other source (including debt or equity issued or distributed in connection with a plan of reorganization or any proceeds of such debt or equity) and whether such payments, distributions or amounts are distributed or made in connection with or pursuant to a plan of reorganization or liquidation, sale pursuant to section 363 of the Bankruptcy Code, foreclosure or otherwise. If the

Junior DIP Agent or any Junior DIP Secured Parties receive any payments, distributions or other amounts in violation of this paragraph 22(c), then the Junior DIP Agent (to the extent the Junior DIP Agent has actual notice of such violation and has not distributed such amounts to the other Junior DIP Secured Parties) or such Junior DIP Secured Party, as applicable, shall hold such amounts in trust for the benefit of the Senior DIP Agent, the Senior DIP Secured Parties, the Prepetition RBL Agent and the Prepetition RBL Secured Parties and shall promptly turn over such amounts to the Senior DIP Agent. Notwithstanding the foregoing, so long as a Senior DIP Event of Default has not occurred and is continuing, the Junior DIP Secured Parties shall be entitled to receive interest at the contract rate as and when due and the upfront fee in connection with the closing of the Junior DIP Facility. For any Prepetition RBL Obligations that remain outstanding after the closing of the Junior DIP Facility, including any amount due and payable on account of indemnity claims that are Prepetition RBL Obligations and any Prepetition RBL Obligations that are subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid, the liens securing such Prepetition RBL Obligations shall be subordinate to the Senior DIP Liens and the Junior DIP Liens; ***provided*** that, any such Prepetition RBL Obligations shall be (i) deemed Senior DIP Obligations for all purposes of this paragraph 22 and (ii) subject to the Senior DIP Purchase Option (as defined below) (notwithstanding anything to the contrary in the Collateral Agency Agreement). The term "Discharge of Senior DIP Obligations" as used in this Interim Order shall be deemed to require the repayment of such Prepetition RBL Obligations in full in cash.

(d) The payment in full of the Prepetition RBL Obligations on and at all times following the Closing Date with the proceeds of the DIP Facilities as set forth in the DIP Loan Documents and this Interim Order shall constitute a "Discharge of Existing Senior Obligations"

subject to, and as such term is defined in, the Collateral Agency Agreement for all purposes thereunder.

(e) *Senior DIP Purchase Option*. At any time upon written notice to the Senior DIP Agent (the "Senior DIP Purchase Notice"), any group of Junior DIP Lenders holding a majority in principal amount of the Junior DIP Loans or any group of Prepetition FLMO Term Loan Lenders holding a majority in principal amount of the Prepetition FLMO Term Loans (any such group, the "Senior DIP Purchasers") shall have the right, without the consent of the Debtors, to purchase from the Senior DIP Secured Parties all (but not less than all) Senior DIP Obligations (including, for the avoidance of doubt and notwithstanding anything to the contrary herein or in the Collateral Agency Agreement all Senior DIP Obligations that are refinanced, refunded, or replaced) (such right, the "Senior DIP Purchase Option") for a purchase price in an amount equal to (i) the amount of Senior DIP Obligations outstanding (including principal, fees, reasonable attorneys' fees and legal expenses (but excluding contingent indemnification obligations for which no claim or demand for payment has been made at or prior to such time, *provided* that "Senior DIP Obligations" shall include all contingent or actual rights and claims relating to, arising from, or in connection with the reservation of rights under paragraph 29, whether asserted as Senior DIP Obligations, Prepetition RBL Obligations, or otherwise, *provided further* that in the case of secured hedge obligations, the Senior DIP Purchasers shall cause the applicable agreements governing such hedge obligations to be assigned and novated or, if such agreements have been terminated, such purchase price shall include an amount equal to the sum of any unpaid amounts then due in respect of such hedge obligations, calculated using the market quotation method and after giving effect to any netting arrangements and (ii) a cash collateral deposit in such amount as the Senior DIP Agent determines is reasonably necessary to secure the payment of any outstanding letters of credit

constituting Senior DIP Obligations that may be come due and payable after such sale (but in any event in an amount not to exceed 105% of the amount then reasonably estimated by the Senior DIP Agent to be the aggregate outstanding amount of such letters of credit at such time), which cash collateral shall be (A) held by the Senior DIP Agent as security solely to reimburse the issuers of letters of credit that become due and payable after such sale and any fees and expenses incurred in connection with such letters of credit and (B) returned to the Senior DIP Purchasers (except as otherwise be required by applicable law or any order of any court or other governmental authority) promptly after the expiration or termination from time to time of all payment contingencies affecting such letters of credit. The Senior DIP Purchasers shall have twenty (20) Business Days following delivery of the Senior DIP Purchase Notice to consummate the purchase of the Senior DIP Obligations contemplated by this paragraph 22(e) and the right to purchase the Senior DIP Obligations under this paragraph 22(e) shall terminate thereafter unless such twenty (20) Business Day period is extended by the Senior DIP Agent in its sole discretion, provided that if the Senior DIP Purchasers shall fail to consummate such purchase within such twenty (20) Business Day period, no Junior DIP Lenders or Prepetition FLMO Term Loan Lenders shall be permitted to exercise the Senior DIP Purchase Option until the date that is at least five (5) Business Days following the expiration of such twenty (20) Business Day period.

(f) *Junior DIP Purchase Option*. Upon written notice to the Junior DIP Agent (the "Junior DIP Purchase Notice") any group of Prepetition FLMO Term Loan Lenders holding a majority in aggregate principal amount of the Prepetition FLMO Term Loans (the "Junior DIP Purchasers") shall have the right, without the consent of the Debtors, to purchase from the Junior DIP Secured Parties all (but not less than all) Junior DIP Obligations (including, for the avoidance of doubt and notwithstanding anything to the contrary herein all Junior DIP Obligations that are

refinanced, refunded, or replaced (such right, the "Junior DIP Purchase Option") for a purchase price in an amount equal to the amount of Junior DIP Obligations outstanding (including principal, fees, reasonable attorneys' fees and legal expenses (but excluding contingent indemnification obligations for which no claim or demand for payment has been made at or prior to such time)). The Junior DIP Purchasers shall have twenty (20) Business Days following delivery of the Junior DIP Purchase Notice to consummate the purchase of the Junior DIP Obligations contemplated by this paragraph 22(f) and the right to purchase the Junior DIP Obligations under this paragraph 22(f) shall terminate thereafter unless such twenty (20) Business Day period is extended by the Majority Junior DIP Lenders in their sole discretion; provided that if the Junior DIP Purchasers shall fail to consummate such purchase within such twenty (20) Business Day period, no Prepetition FLMO Term Loan Lenders shall be permitted to exercise the Junior DIP Purchase Option until the date that is at least five (5) Business Days following the expiration of such twenty (20) Business Day period.

(g) In connection with the Senior DIP Purchase Option and the Junior DIP Purchase Option, the Senior DIP Purchasers or the Junior DIP Purchasers, as applicable, shall deliver to the applicable DIP Agent any customary agreements, documents or instruments to which the applicable DIP Agent may reasonably request pursuant to which the Senior DIP Purchasers or the Junior DIP Purchasers, as applicable, shall expressly assume and adopt all obligations of the applicable DIP Agent and DIP Secured Parties.

(h) Notwithstanding anything to the contrary contained in this Order, upon the occurrence and continuation of Termination Event, the DIP Lenders, the Prepetition Senior Loan Parties, or their agents, may enter upon a leased premises for the purposes of exercising remedies after an Event of Default only in accordance with (a) a separate written agreement by and between

the DIP Lender or Prepetition Senior Loan Parties, as applicable, and any applicable landlord; (b) pre-existing rights of the DIP Lender or Prepetition Senior Loan Parties, as applicable, and any applicable landlord under applicable non-bankruptcy law, (c) consent of the applicable landlords, or (d) entry of an order of this Court obtained by motion of the applicable DIP Lender, Prepetition Senior Loan Parties, or their agents, on such notice to the landlord as shall be required by this Court.

23. Good Faith under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Interim Order. The DIP Secured Parties have acted in good faith in connection with the DIP Facilities, the DIP Loan Documents, the interim financing provided by the DIP Facilities, and with this Interim Order, and their reliance on this Interim Order is in good faith. Based on the findings set forth in this Interim Order and the record made during the Interim Hearing, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Interim Order are hereafter modified, reversed, amended or vacated by a subsequent order of the Court or any other court, the DIP Secured Parties and the Prepetition Secured Parties are entitled to the benefits and protections provided in section 364(e) of the Bankruptcy Code. Any such modification, reversal, amendment or vacatur shall not affect the validity and enforceability of any advances previously made or made hereunder, or lien, claim or priority authorized or created hereby. Any security interests, liens or claims granted to the DIP Secured Parties arising prior to the effective date of any such modification, reversal, amendment or vacatur of this Interim Order shall be governed in all respects by the original provisions of this Interim Order, including entitlement to all rights, remedies, privileges and benefits granted herein.

24. DIP and Other Expenses. The Debtors are authorized and directed to pay, in cash and on a current basis, all reasonable and documented fees, costs, disbursements and expenses of

the DIP Agents and the Ad Hoc First Lien Group incurred at any time, to the extent provided by the DIP Loan Documents and this Interim Order, whether or not the transactions contemplated hereby are consummated, including, without limitation, legal, accounting, collateral examination, monitoring and appraisal fees and expenses, agency fees, financial advisory fees and expenses, fees and expenses of other consultants and indemnification and reimbursement of fees and expenses (including, without limitation, the reasonable and documented prepetition and postpetition fees, costs and expenses of (A) Simpson Thacher and Norton Rose Fulbright; (B) Opportune; (C) Davis Polk, Haynes and Boone, Cox Castle, Trimeric, Cornerstone, ERM, and Rapp & Krock; (D) Evercore; (E) Ropes & Gray, and (F) any other necessary or appropriate counsel, advisors, professionals or consultants in connection with advising the DIP Agents or the Ad Hoc First Lien Group (collectively the "DIP Secured Party Advisors")). The invoices for such fees and expenses shall not be required to comply with the U.S. Trustee guidelines, may be in summary form only (and may contain redactions of privileged, confidential or otherwise sensitive information), and shall not be subject to application or allowance by the Court. Such fees and expenses shall not be subject to any offset, defense, claim, counterclaim or diminution of any type, kind or nature whatsoever. The invoices for fees and expenses to be paid pursuant to this paragraph 24 shall be provided to the Fee Notice Parties. Within ten (10) calendar days after delivery of such invoices, the ("Fee Objection Period"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors. If an objection (solely as to reasonableness) is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, then only the disputed portion of such fees and expenses shall not be paid until the objection is resolved by the applicable parties in good faith or by order of the Court, and the undisputed portion shall be promptly paid by the Debtors.

Notwithstanding the foregoing, the Debtors are authorized and directed to pay on the Closing Date the fees and expenses of the DIP Secured Party Advisors incurred on or prior to such date without the need to provide notice to any other party or otherwise comply with the procedures set forth in this paragraph 24.

25. Indemnification. The Debtors are authorized to jointly and severally indemnify and hold harmless each of the DIP Agents (solely in their capacity as DIP Agents), each DIP Secured Party (solely in its capacity as a DIP Secured Party) and each other party entitled to an indemnity in accordance and subject to the terms and conditions set forth in the DIP Credit Agreements.

26. Proofs of Claim. The DIP Secured Parties and each of the Prepetition Secured Parties shall not be required to file proofs of claim in any of the Chapter 11 Cases or any Successor Cases for any claim against the Debtors for payment of the Prepetition Obligations arising under the Prepetition Debt Documents. The statements of claims in respect of such indebtedness set forth in this Interim Order, together with any evidence accompanying this Motion and presented at the Interim Hearing, are deemed sufficient to and do constitute proofs of claim in respect of such debt and such secured status. However, in order to facilitate the processing of claims, to ease the burden upon the Court and to reduce any unnecessary expense to the Debtors' estates, each of the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent and Prepetition Second Lien Collateral Trustee is authorized to file in the Debtors' lead chapter 11 case *In re California Resources Corporation*, Case No. 20-33568 (DRJ), a master proof of claim on behalf of its respective Prepetition Secured Parties on account of any and all of their respective claims arising under the applicable Prepetition Debt Documents and hereunder (each, a "Master Proof of Claim") against each of the Debtors. Upon the filing of any such Master Proof of Claim, the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan

Agent or Prepetition Second Lien Collateral Trustee, as applicable, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims of any type or nature whatsoever with respect to the applicable Prepetition Debt Documents, and the claim of each applicable Prepetition Secured Party (and each of its successors and assigns) named in a Master Proof of Claim shall be treated as if such entity had filed a separate proof of claim in each of the Chapter 11 Cases. The Master Proofs of Claim shall not be required to identify whether any such party acquired its claim from another party and the identity of any such party or to be amended to reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from the transfer of all or any portion of such claims. The Master Proofs of Claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by each of the Debtors to the applicable Prepetition Secured Parties. Any proof of claim filed by the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent or Prepetition Second Lien Collateral Trustee shall be deemed to be in addition to and not in lieu of any other proof of claim that may be filed by any of the Prepetition Secured Parties. Any order entered by the Court in relation to the establishment of a bar date in any of the Chapter 11 Cases or Successor Cases shall not apply to the DIP Secured Parties or Prepetition Secured Parties.

27. Carve Out.

(a) *Carve Out*. Subject to the terms and conditions set forth herein, the DIP Liens, Superpriority DIP Claims, Prepetition Liens, Adequate Protection Liens and Adequate Protection Claims shall be subject to the payment of the Carve Out. As used in this Interim Order, the "Carve Out" means, without duplication, the following expenses, subject, in each case, to application of any retainers that may be held by the applicable professionals as well as proceeds

from unencumbered assets then currently available: (I) the payment of unpaid fees, expenses and disbursements incurred after delivery of a Carve Out Trigger Notice (as defined below) in connection with the Chapter 11 Cases by professionals employed by the Debtors pursuant to sections 327, 328 or 363 of the Bankruptcy Code and by professionals employed by any Committee pursuant to sections 328 or 1103 of the Bankruptcy Code in the aggregate amount not in excess of $7 million for all such professionals (the "Case Professionals") to the extent such fees, expenses and disbursements are allowed by the Court at any time, regardless of whether allowed by interim order, procedural order or otherwise, excluding for purposes of this clause (I) any success fee, completion fee, transaction fee or similar investment banking fee (the amounts described in this clause (I), the "Wind-Down Carve Out Amounts"); (II) all accrued and unpaid professional fees and disbursements incurred by Case Professionals on or prior to the delivery of a Carve Out Trigger Notice to the extent allowed by the Court at any time, regardless of whether allowed by interim order, procedural order or otherwise (the amounts described in this clause (II), collectively, the "Pre-Trigger Amount Professional Fees"); (III) all fees to be paid to the clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. § 1930 and 31 U.S.C. § 3717 plus interest at the statutory rate; and (IV) all reasonable and documented fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in aggregate amount not in excess of $100,000. As used in this Interim Order, the term "Carve Out Trigger Notice" means the delivery by the Senior DIP Agent of a written notice to the Debtors, the U.S. Trustee and counsel to any Committee following the occurrence and during the continuation of a Termination Event, expressly stating that the Wind-Down Carve Out Amounts are invoked. Upon the Debtors' receipt of a Carve Out Trigger Notice, the Wind-Down Carve Out Amounts and the Pre-Trigger Amount Professional Fees (collectively, the "Carved-Out Professional Fees") shall immediately be funded by the Debtors to an

escrow account (the "Professional Fee Escrow") with an escrow agent selected by the Debtors and approved by the Senior DIP Agent (which such approval shall not be unreasonably withheld, conditioned or delayed) pursuant to an escrow agreement reasonably acceptable to the Senior DIP Agent, from any and all available Cash Collateral or cash held by the Debtors and, if the then-available cash and Cash Collateral is not sufficient to cover the Carved-Out Professional Fees, the first proceeds from the sale of the DIP Collateral until the Carved-Out Professional Fees are fully funded into the Professional Fee Escrow; *provided*, that the funding of the Pre-Trigger Amount Professional Fees into the Professional Fee Escrow shall be based on good faith estimates obtained by the applicable professionals. The Professional Fee Escrow shall be subject to a first-priority lien securing the Carved-Out Professional Fees, a second priority lien securing the Senior DIP Obligations, a third priority lien securing the Junior DIP Obligations and a fourth priority lien securing the Adequate Protection Claims. Notwithstanding anything to the contrary herein, upon the delivery of a Carve Out Trigger Notice, the Senior DIP Agent or the Junior DIP Agent shall be required to transfer cash that it sweeps, receives or forecloses upon at any time from and after the delivery of a Carve Out Trigger Notice into the Professional Fee Escrow until such time as the Carved-Out Professional Fees have been fully funded into the Professional Fee Escrow. For the avoidance of doubt, upon delivery of a Carve Out Trigger Notice, in no instance shall any DIP Obligations or Prepetition Obligations be repaid until the Professional Fee Escrow is fully funded or as further set forth in other order(s) of the Court. So long as no Carve Out Trigger Notice has been delivered, the Debtors shall be permitted to pay compensation and reimbursement of expenses to Case Professionals allowed and payable under sections 330 and 331 of the Bankruptcy Code, but solely to the extent the same are allowed at any time by the Court, regardless of whether allowed by interim order, procedural order or otherwise; *provided*, that, for the avoidance of doubt, the

payment of such compensation and reimbursement of such expenses prior to the delivery of a Carve Out Trigger Notice shall not reduce the applicable Wind-Down Carve Out Amount. No portion of the Carve Out may be used in contravention of the restrictions or the limitations on the use of the Carve Out set forth in this Interim Order.

(b) The DIP Agents and the DIP Lenders shall retain automatically perfected and continuing security interests in any residual amount in the Professional Fee Escrow Account available following satisfaction in full of all obligations benefiting from the Carve-Out (the "Residual Carve-Out Amount"). Promptly (but in no event later than 5 business days) following the satisfaction in full of all obligations benefiting from the Carve-Out, the Debtors shall deliver the Residual Carve-Out Amount, if any, to the Senior DIP Agent (or, following a Discharge of Senior DIP Obligations, the Junior DIP Agent).

(c) *No Direct Obligation to Pay Professional Fees.* Neither the DIP Agents, the DIP Secured Parties nor the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Case Professionals incurred in connection with the Chapter 11 Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Agents, DIP Secured Parties or Prepetition Secured Parties in any way to pay compensation to or to reimburse expenses of any Case Professionals, or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(d) *Payment of Carve Out After Carve Out Trigger Notice.* Any payment or reimbursement made on or after the date of the delivery of the Carve Out Trigger Notice in respect of any Carved-Out Professional Fees accrued or incurred after delivery of the Carve Out Trigger Notice shall permanently reduce the Wind-Down Carve Out Amount on a dollar-for-dollar basis.

28. Limitations on the DIP Facilities, the DIP Collateral, the Prepetition Collateral, the Cash Collateral and the Carve Out. No DIP Collateral, Prepetition Collateral, DIP Loans, Cash

Collateral, proceeds of any of the foregoing, any portion of the Carve Out or any other amounts may be used, directly or indirectly, by any of the Debtors, any Committee, if any, or any trustee or other estate representative appointed in the Chapter 11 Cases or any Successor Cases or any other person or entity (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith): (a) to object to, prevent, hinder, or delay the DIP Agents', the DIP Secured Parties' enforcement or realization upon any of the DIP Collateral, Prepetition Collateral or Cash Collateral, once a Termination Event occurs; (b) to use or seek to use Cash Collateral other than as provided pursuant to this Interim Order or, except to the extent permitted under the terms of the DIP Loan Documents, selling or otherwise disposing of DIP Collateral, in each case, without the consent of both DIP Agents; (c) to seek authorization to obtain liens or security interests that are senior to, or on a parity with, the DIP Liens or the Superpriority DIP Claims, the Adequate Protection Liens, the Adequate Protection Claims or the Prepetition Liens; (d) to request or seek any modification of this Interim Order in any manner not approved by both DIP Agents to the extent such modification would adversely affect the rights of the DIP Secured Parties or the Prepetition Secured Parties; or (e) to investigate (including by way of examinations or discovery proceedings), prepare, assert, join, commence, support or prosecute any challenge (including any litigation or other action) for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against any or all of the DIP Agents, DIP Secured Parties or Prepetition Secured Parties, or their respective affiliates, assigns or successors and the respective officers, directors, employees, agents, attorneys, representatives and other advisors of the foregoing, with respect to any transaction, occurrence, omission, action or other matter (including formal or informal discovery proceedings in anticipation thereof) with respect to (A) any claims or causes of action arising under

chapter 5 of the Bankruptcy Code, (B) any so-called "lender liability" claims and causes of action, (C) any action with respect to the amount, validity, enforceability, priority and extent of, or asserting any defense, counterclaim, or offset to, the DIP Obligations, the Superpriority DIP Claims, the DIP Liens, the DIP Loan Documents, the Adequate Protection Liens, the Adequate Protection Claims, the Prepetition RBL Loan Documents, the Prepetition RBL Obligations, the Prepetition FLMO Term Loan Documents, the Prepetition FLMO Obligations, the Prepetition FLLO Term Loan Documents, the Prepetition FLLO Obligations, the Prepetition Senior Liens, the Prepetition FLLO Liens, the Prepetition Second Lien Documents, the Prepetition Second Lien Note Obligations or the Prepetition Second Liens, (D) any action seeking to challenge, invalidate, modify, set aside, avoid, marshal, recharacterize or subordinate (other than as contemplated by the Intercreditor Agreements), in whole or in part, the DIP Obligations, the DIP Liens, the Superpriority DIP Claims, the DIP Collateral, the Prepetition Collateral, the Prepetition Liens, the Adequate Protection Liens, the Adequate Protection Claims or the Prepetition Obligations, (E) any action seeking to modify any of the rights, remedies, priorities, privileges, protections and benefits granted to the DIP Secured Parties hereunder or under any of the DIP Loan Documents or prepetition agreements including the Elk Hills Power Agreements (as defined in the Restructuring Support Agreement) or to any of the Prepetition Secured Parties hereunder or under any of the Prepetition Debt Documents (in each case, including, without limitation, claims, proceedings or actions that might prevent, hinder or delay any of the DIP Agents' or the DIP Lenders' assertions, enforcements, realizations or remedies on or against the DIP Collateral in accordance with the applicable DIP Loan Documents and this Interim Order and/or the Final Order (as applicable)), or (F) objecting to, contesting, or interfering with, in any way, the DIP Agents' and the DIP Secured Parties' enforcement or realization upon any of the DIP Collateral once a Senior DIP Event of Default or Junior DIP Event of Default has occurred;

provided, *however*, that no more than $75,000 in the aggregate of the DIP Collateral, the Carve Out, and proceeds from the borrowings under the DIP Facilities or Prepetition Collateral, may be used by any Committee to investigate claims and/or liens of the Prepetition Secured Parties. For the avoidance of doubt, the Debtor reserves the right to contest, and to use Cash Collateral to contest, the existence or extent of any Diminution in Value for purposes of any Adequate Protection Claim or Adequate Protection Lien.

29. Reservation of Certain Third Party Rights and Bar of Challenges and Claims.

(a) Each stipulation, admission, and agreement contained in this Interim Order including, without limitation, the Debtors' stipulations set forth in paragraph E hereof (collectively, the "Stipulations"), shall be binding on the Debtors upon entry of this Interim Order. The Stipulations shall be binding on any successor to the Debtors (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases) under all circumstances and for all purposes, and the Debtors are deemed to have irrevocably waived and relinquished all Challenges (as defined below) as of the Petition Date.

(b) Upon expiration of the Challenge Period (as defined below), the Stipulations shall be binding upon all other parties in interest (including without limitation, any Committee, if appointed) and any other person or entity acting or seeking to act on behalf of the Debtors' estates, in all circumstances and for all purposes, unless (1) any Committee or a party in interest (in each case, to the extent requisite standing is obtained pursuant to an order of this Court entered prior to the expiration of the Challenge Period) has timely and duly filed an adversary proceeding or contested matter (subject to the limitations contained herein) (each, a "Challenge Proceeding") by the expiration of the Challenge Period (as defined below), objecting to or challenging the amount,

validity, perfection, enforceability, priority or extent of the Prepetition Obligations, the Prepetition Liens or the Prepetition Debt Documents, or otherwise asserting or prosecuting any avoidance action or any other claim, counterclaim, cause of action, objection, contest or defense (a "Challenge") against any of the Prepetition Secured Parties, or any of their respective affiliates, subsidiaries, officers, directors, managers, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and the respective successors and assigns thereof (in each case, in their respective capacities as such), arising under, in connection with or related to the Prepetition Obligations, the Prepetition Liens or the Prepetition Debt Documents and (2) there is entered a final non-appealable order in favor of the plaintiff in any such timely filed Challenge Proceeding; *provided*, *however*, that any pleadings filed in any Challenge Proceeding shall set forth with specificity the basis for such Challenge (and any Challenges not so specified prior to the expiration of the Challenge Period shall be deemed forever, waived, released and barred).

(c) Only those parties in interest who properly obtain standing and commence a Challenge within the Challenge Period may prosecute such Challenge. As to (x) any parties in interest, including any Committee, who do not obtain standing and fail to file a Challenge prior to the expiration of the Challenge Period, or if any such Challenge is filed and overruled, or (y) any and all matters that are not expressly the subject of a timely Challenge: (1) any and all such Challenges by any party (including, without limitation, any Committee, any chapter 11 trustee, any examiner or any other estate representative appointed in the Chapter 11 Cases, or any chapter 7 trustee, any examiner or any other estate representative appointed in any Successor Cases), shall be deemed to be forever waived and barred; (2) all of the findings, Debtors' stipulations, waivers, releases, affirmations and other Stipulations hereunder as to the priority, extent, allowability, validity and perfection as to all Prepetition Obligations, Prepetition Liens and Prepetition Debt Documents,

shall be of full force and effect and forever binding upon the applicable Debtors' bankruptcy estates and all creditors, interest holders and other parties in interest in the Chapter 11 Cases and any Successor Cases; (3) the Debtors' estates, all creditors, interest holders and other parties in interest in the Chapter 11 Cases and any Successor Cases shall be deemed to have released, waived and discharged the Prepetition Secured Parties (in each case, whether in their prepetition or postpetition capacity), together with each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders, and employees, from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, the Prepetition Obligations; (4) the Prepetition Obligations shall constitute allowed claims and shall not be subject to any defense, claim, counterclaim, recharacterization, subordination, offset, avoidance, for all purposes in these Chapter 11 Cases and any Successor Cases; (5) the Prepetition Debt Documents shall be deemed to have been valid, as of the Petition Date, and enforceable against each of the Debtors in the Chapter 11 Cases and any Successor Cases; and (6) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, security interests and liens, not subject to recharacterization, subordination, avoidance or other defense;

(d) The "Challenge Period" shall mean the earlier of (a) sixty (60) days after the formation of any Committee, but in no event later than seventy-five (75) days after the Petition Date, (b) if no Committee is formed, seventy-five (75) days after the Petition Date and (c) the date of confirmation of a chapter 11 plan. The Challenge Period may only be extended (A) with the written consent of the Prepetition RBL Agent with respect to the Prepetition RBL Obligations, the

Prepetition RBL Loan Documents or the Prepetition Senior Liens; the Prepetition FLMO Term Loan Agent with respect to the Prepetition FLMO Obligations, the Prepetition FLMO Term Loan Documents or the Prepetition Senior Liens; the Prepetition FLLO Term Loan Agent with respect to the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Documents or the Prepetition FLLO Liens; or the Prepetition Second Lien Collateral Trustee with respect to the Prepetition Second Lien Obligations, the Prepetition Second Lien Documents or the Prepetition Second Liens, or (B) by the Court, upon a motion for cause shown, in each case, prior to the expiration of the Challenge Period.

(e) In the event there is a timely successful Challenge by a final non-appealable order, pursuant and subject to the limitations contained in this paragraph 29, to the repayment of any of the Prepetition RBL Obligations pursuant to this Interim Order based upon a successful challenge to the validity, enforceability, extent, perfection or priority of the Prepetition RBL Obligations or the liens securing the same, this Court shall determine the remedies as to the portion of the Prepetition RBL Obligations subject to the successful Challenge, which may include the unwinding the repayment of and reinstating such Prepetition RBL Obligations, and all parties' rights are fully reserved in respect of any such potential remedies . If any amount of Prepetition RBL Obligations are reinstated or required to be repaid to the Debtors or any third party, any portion of such Prepetition RBL Obligations that are secured by valid and enforceable liens shall benefit from the RBL Adequate Protection Claims and the RBL Adequate Protection Liens and the Prepetition RBL Agent reserves all of its rights to seek additional or different adequate protection.

(f) Notwithstanding anything to the contrary herein: (x) if any Challenge is timely commenced and standing is timely obtained, the Stipulations shall, upon expiration of the

Challenge Period, nonetheless remain binding and preclusive (as provided in paragraph 29(b) hereof) on all parties-in-interest (other than the party that has brought such Challenge in connection therewith and then only with respect to the Stipulations that are subject to the Challenge and not to any Stipulations not subject to the Challenge), except to the extent that such Stipulations were expressly and successfully challenged in such Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction; and (y) the Prepetition Secured Parties reserve all of their respective rights to contest on any grounds any Challenge and preserve any and all of their rights to appeal and stay any orders issued in connection with a successful Challenge. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including any Committee or any non-statutory committees appointed in the Chapter 11 Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates, and all rights to object to such standing are expressly reserved.

30. No Third Party Rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect or incidental beneficiary.

31. Section 506(c). In partial consideration for, among other things, the Carve Out and the payments made under the Approved Budget to administer the Chapter 11 Cases with the use of Cash Collateral, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases at any time shall be charged against the DIP Secured Parties or the Prepetition Secured Parties, any of the DIP Obligations or the Prepetition Obligations, or any of the DIP Collateral or the Prepetition Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise for any costs and expenses incurred in connection with the preservation, protection, enhancement or realization by the DIP Secured Parties upon the DIP Collateral, or by the Prepetition

Secured Parties upon the Prepetition Collateral, as applicable or otherwise, without the prior express written consent of the affected DIP Agent, Prepetition RBL Agent, Prepetition Senior Secured Collateral Agent, Prepetition FLLO Term Loan Agent, Prepetition FLMO Term Loan Agent or Prepetition Second Lien Collateral Trustee, in their sole discretion (but subject to the Intercreditor Agreements where applicable), provided that the foregoing shall be without prejudice to the terms of the Final Order with respect to the period from and after entry of the Final Order. For the avoidance of doubt, consent to the Carve Out or the approval of any budget hereunder shall not be deemed a consent under this paragraph. Nothing contained in this Interim Order shall be deemed to consent by the Senior DIP Agent, the Junior DIP Agent, the DIP Secured Parties, or the Prepetition Secured Parties to any charge, lien, assessment, or claims against any DIP Collateral, under section 506(c) of the Bankruptcy Code or otherwise.

32. Section 552(b). The Prepetition Secured Parties are and shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties or the Prepetition Obligations, provided that the foregoing shall be without prejudice to the terms of the Final Order with respect to the period from and after the entry of the Final Order.

33. Waiver of Marshaling for DIP Secured Parties. Subject to entry of the Final Order, the DIP Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to any of the DIP Collateral. All parties preserve until the Final Order any rights they may have (and solely to the extent they are not contractually prohibited from doing so) to argue that the DIP Lenders should be required under the equitable doctrine of marshalling or any similar equitable remedy to look first to currently encumbered assets for repayment of, or recovery on, the DIP Loans.

34. Waiver of Marshaling for Prepetition Secured Parties. Subject to the Final Order, in no event shall the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to any of the Prepetition Collateral, *provided*, that, in the event that either (x) the Restructuring Support Agreement has been terminated by the Debtors due to a material breach by the Required Consenting Creditors or (y) the Backstop Commitment Agreement has been terminated due to the Backstop Parties terminating their Backstop Commitments, the Prepetition Secured Parties shall be subject to, and retain all arguments and defenses in connection with, such doctrines.

35. Right to Credit Bid. Pursuant to section 363(k) of the Bankruptcy Code, (a) the Senior DIP Agent, on behalf of the Senior DIP Secured Parties (subject to the terms of the Senior DIP Loan Documents) shall have the right to "credit bid" (without the need to submit a deposit) up to the full amount of the Senior DIP Obligations, in connection with any sale or other disposition of all or any portion of the DIP Collateral, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code, and shall automatically be deemed a "qualified bidder" with respect to any such sale or disposition of DIP Collateral; and (b) the Junior DIP Agent, on behalf of the Junior DIP Secured Parties (subject to the terms of the Junior DIP Loan Documents) shall have the right to "credit bid" up to the full amount of the Junior DIP Obligations, in connection with any sale or other disposition of all or any portion of the DIP Collateral, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code but only if such bid by the Junior DIP Agent includes a cash payment

sufficient to provide for the Discharge of Senior DIP Obligations and the Discharge of Senior DIP Obligations occurs immediately after giving effect to such credit bid.

36. Rights Preserved. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly: (a) the rights of the DIP Secured Parties to seek any other or supplemental relief in respect of the Debtors; (b) the rights of the DIP Secured Parties under the DIP Loan Documents, the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Chapter 11 Cases, conversion of any or all of the Chapter 11 Cases to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans of reorganization; or (c) any other rights, claims, or privileges (whether legal, equitable or otherwise) of the DIP Secured Parties; *provided*, that notwithstanding the foregoing, in no event shall the Junior DIP Agent or Junior DIP Secured Parties seek additional or supplemental relief in respect of the Debtors or propose any chapter 11 plan or plan of reorganization, in each case that is inconsistent with the payment priority of the Senior DIP Obligations and Prepetition RBL Obligations set forth in paragraph 22(c). Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors' or any party-in-interest's right to oppose any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Interim Order.

37. Intercreditor Agreements. Nothing in this Interim Order shall amend or otherwise modify the terms or enforceability of the Intercreditor Agreements, including without limitation,

the turnover and bankruptcy-related provisions contained therein, and the Intercreditor Agreements shall each remain in full force and effect. The rights of the Prepetition Secured Parties shall at all times remain subject to the Intercreditor Agreements.

38. No Waiver by Failure to Seek Relief. The failure, at any time or times hereafter, of the DIP Secured Parties and the Prepetition Secured Parties, to require strict performance by the Debtors of any provision of this Interim Order shall not waive, affect or diminish any right of such parties thereafter to demand strict compliance and performance therewith. No delay on the part of any party in the exercise of any right or remedy under this Interim Order shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. No consents by any of the DIP Secured Parties or the Prepetition Secured Parties shall be implied by any inaction or acquiescence by any of the DIP Secured Parties or the Prepetition Secured Parties.

39. Binding Effect of this Interim Order. Immediately upon, and effective as of, entry by the Court, this Interim Order shall inure to the benefit of the Debtors, the DIP Secured Parties and the Prepetition Secured Parties and it shall become valid and binding upon the Debtors, the DIP Secured Parties and the Prepetition Secured Parties and any and all other creditors of the Debtors, any Committee or other committee appointed in the Chapter 11 Cases, any and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed as legal representative of any of the Debtors in any of the Chapter 11 Cases, or upon dismissal of any of the Chapter 11 Cases. Further, upon entry of this Interim Order, the DIP Obligations shall constitute allowed claims for all purposes in each of the Chapter 11 Cases.

40. No Modification to Interim Order. Until and unless the DIP Obligations and the Prepetition RBL Obligations, the Prepetition FLMO Obligations, and the Prepetition FLLO

Obligations have been indefeasibly paid in full in cash, the Debtors irrevocably waive the right to seek and shall not seek or consent to, directly or indirectly: without the prior written consent of the DIP Agents, the Majority Junior DIP Lenders, the Prepetition RBL Agent, Prepetition FLMO Term Lenders holding more than 50% of the loans under the Prepetition FLMO Credit Agreement (the "Required FLMO Term Lenders") and the Prepetition FLLO Term Lenders holding more than 50% of the loans under the Prepetition FLLO Credit Agreement (the "Required FLLO Term Lenders") (a) a priority claim for any administrative expense or unsecured claim against the Debtor (now existing or hereafter arising of any kind or nature whatsoever, including, without limitation any administrative expense of the kind specified in sections 503(b), 506(c), 507(a) or 507(b) of the Bankruptcy Code) in the Chapter 11 Cases, equal or superior to the Superpriority DIP Claims, the RBL Adequate Protection Claims, the FLMO Adequate Protection Claims or the FLLO Adequate Proection Claims other than the Carve Out; (b) any order authorizing the use of Cash Collateral resulting from the DIP Collateral or the Prepetition Collateral that is inconsistent with this Interim Order; or (c) any lien on any of the DIP Collateral or Prepetition Collateral with priority equal or superior to the DIP Liens, the Senior Adequate Protection Liens or the FLLO Adequate Proection Liens except as specifically provided in the DIP Loan Documents or this Interim Order. The Debtors irrevocably waive any right to seek any amendment, vacatur, stay, modification or extension of this Interim Order without the prior written consent, as provided in the foregoing, of the DIP Agents, the Majority Junior DIP Lenders, the Required FLMO Term Lenders and the Required FLLO Term Lenders, and Ares to the extent such amendment, vacatur, stay, modification or extension is adverse to Ares. Until the Discharge of Senior DIP Obligations, the Junior DIP Agent and the Junior DIP Secured Parties may not seek to amend, modify, vacate, supplement or waive the terms of this Interim Order in a manner adverse to the interests or rights of the Senior DIP Secured Parties or,

prior to the Prepetition RBL Obligatoins being discharged, the Prepetition RBL Secured Parties, in either case without the prior written consent of the Senior DIP Agent and the Prepetition RBL Agent, as applicable.

41. Order Controls. In the event of any inconsistency between the terms and conditions of the DIP Loan Documents, any other document or any other order of the Court and of this Interim Order, the provisions of this Interim Order shall govern and control.

42. Limits on Lender Liability. Nothing in this Interim Order or in any of the DIP Loan Documents or the Prepetition Debt Documents or any other documents related to this transaction shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Secured Parties or the Prepetition Secured Parties of any liability for any claims arising from any and all activities by the Debtors in the operation of their businesses in connection with the Debtors' postpetition restructuring efforts.

43. Survival. The provisions of this Interim Order and any actions taken pursuant hereto shall survive, and shall not be modified, impaired or discharged by, entry of any order that may be entered (a) confirming any plan of reorganization in any of the Chapter 11 Cases, (b) converting any or all of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (c) dismissing any or all of the Chapter 11 Cases, or (d) pursuant to which the Court abstains from hearing any of the Chapter 11 Cases. The terms and provisions of this Interim Order, including the claims, liens, security interests, and other protections (as applicable) granted to the DIP Secured Parties and the Prepetition Secured Parties pursuant to this Interim Order, notwithstanding the entry of any such order, shall continue in any of the Chapter 11 Cases, following dismissal of any of the Chapter 11 Cases, or any Successor Cases, and shall maintain their priority as provided by this Interim Order. The DIP Protections (as defined below), as well as the terms and provisions concerning the

reimbursement and indemnification of the DIP Secured Parties shall continue in any of the Chapter 11 Cases following dismissal of any of the Chapter 11 Cases, termination of the provisions of this Interim Order, and/or the indefeasible payment in full of the DIP Obligations.

44. Dismissal. If any order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code), that (i) the rights, privileges, benefits and protections afforded herein and in the DIP Loan Documents, including the DIP Liens and the Superpriority DIP Claims (collectively, the "DIP Protections"), shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order until all DIP Obligations have been paid in full (and that all DIP Protections shall, notwithstanding such dismissal, remain binding on all parties in interest), and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing such DIP Protections.

45. Entry of this Interim Order/Waiver of Applicable Stay. The Clerk of the Court is hereby directed to forthwith enter this Interim Order on the docket of the Court maintained in regard to the Chapter 11 Cases. This Interim Order shall be effective upon its entry and not subject to any stay (all of which are hereby waived), notwithstanding anything to the contrary contained in Bankruptcy Rule 4001(a)(3).

46. Final Hearing. The final hearing with respect to the relief requested in the Motion shall be held on August 14, 2020 at 9:00 A.M. (prevailing Central Time) (the "Final Hearing"). Any objections or responses to entry of the proposed Final Order shall be filed on or before 4:00 p.m. (prevailing Central Time) on _____, 2020 and served on the following parties: (a) the Debtors, California Resources Corporation, 27200 Tourney Road, Suite 200, Santa Clarita, CA 91355 (Attn: Michael L. Preston); (b) proposed counsel to the Debtors,

Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Alexa J. Kranzley) and Vinson & Elkins LLP, 1001 Fannin Street, Suite 2500, Houston, Texas 77002 (Attn: Paul E. Heath); (c) counsel to the administrative agent for the Debtors' Senior DIP Facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 (Attn: Sandy Qusba and Nicholas A. Baker) and Norton Rose Fulbright US LLP, 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201-7932 (Attn: Louis Strubeck and Jason L. Boland); (d) counsel to the Ad Hoc First Lien Group, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York, 11017 (Attn: Damian S. Schaible and Angela M. Libby); (e) counsel to Ares, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, 10022 (Attn: Steven Serajeddini); (f) counsel to the ad hoc group of Prepetition Second Lien Noteholders; (g) counsel to any statutory committee appointed in these chapter 11 cases; (h) the U.S. Trustee; and (i) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. In the event the Court modifies any of the provisions of this Interim Order or other documents following the Final Hearing, such modifications shall not affect the rights and priorities of the DIP Agents and the DIP Lenders pursuant to this Interim Order with respect to the DIP Collateral and any portion of the DIP Facilities that arises, or is incurred or is advanced prior to such modifications (or otherwise arising prior to such modifications), and this Interim Order shall remain in full force and effect except as specifically modified pursuant to the Final Hearing.

47. Effect of this Interim Order. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 and 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

48. Retention of Jurisdiction. The Court shall retain exclusive jurisdiction to hear, determine and, if applicable, enforce the terms of, any and all matters arising from or related to the DIP Facilities and/or this Interim Order.

EXHIBIT H

FORM OF NOTICE OF CONVERSION OR CONTINUATION

[_____], 202[__][1]

To: Alter Domus Products Corp., as Administrative Agent under that certain Junior Secured Superpriority Debtor-in-Possession Credit Agreement, dated as of July 23, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), by and among California Resources Corporation, a Delaware corporation and debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code (the "**Borrower**"), the lenders from time to time party thereto (the "**Lenders**") and Alter Domus Products Corp., as Administrative Agent (such terms and each other capitalized term used but not defined herein having the meaning provided in Article I of the Credit Agreement).

Ladies and Gentlemen:

The undersigned, the Borrower, refers to the Credit Agreement, and hereby gives you notice irrevocably, pursuant to Section 2.6(a) of the Credit Agreement, of the [conversion] [continuation] of the Loans specified below:

(i) The Business Day of the proposed date of [conversion] [continuation] is [ ], 202[ ].

(ii) The aggregate amount of the Loans to be [converted] [continued] is $[ ]. [Such Loans are subject to an interest rate Hedge Agreement, which is attached hereto.]

(iii) The Loans shall be [converted into] [continued as] [LIBOR Loans] [ABR Loans]. [Such Loans shall be automatically continued as LIBOR Loans for each Interest Period until the expiration of the term of the interest rate Hedge Agreement attached hereto, which expires on _____].

CALIFORNIA RESOURCES CORPORATION

By: _____
Name:
Title:

[1] To be submitted prior to 1:00 p.m. (New York City time) at least (1) three (3) Business Days prior to the date of conversion or continuation, in the case of a continuation of or conversion to LIBOR Loans, or (2) one (1) Business Day prior to the date of conversion, in the case of conversion into ABR Loans.

EXHIBIT 10.3

Certain portions of this exhibit (indicated by "[*****]") have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER OR ACCEPTANCE WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED IN THIS AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES TO THIS AGREEMENT.

AMENDED AND RESTATED RESTRUCTURING SUPPORT AGREEMENT

This AMENDED AND RESTATED RESTRUCTURING SUPPORT AGREEMENT (including all exhibits, annexes, and schedules attached to this agreement in accordance with Section 14.02, this "**Agreement**") is made and entered into as of July 24, 2020 (the "**Execution Date**"), and amends and restates in its entirety the Restructuring Support Agreement dated as of July 15, 2020 (the "**Original Restructuring Support Agreement**") by and among the following parties (each of the following described in sub-clauses (i) through (iv) of this preamble, collectively, the "**Parties**"):

(i) (a) California Resources Corporation ("**CRC**"), a company incorporated under the Laws[1] of Delaware, and (b) each of its Affiliates listed on **Annex A** to the Restructuring Term Sheet (as defined herein) that has executed and delivered a counterpart signature page to this Agreement to counsel to each of the Ad Hoc Group (as defined herein) and Ares (as defined herein) (the Entities (as defined herein) in this clause (i), collectively, the "**Company Parties**");

(ii) the undersigned holders of, or investment advisors, sub-advisors, or managers of discretionary accounts that hold, 2016 Term Loan Claims (as defined herein) that have executed and delivered counterpart signature pages to this Agreement, a Joinder or a Transfer Agreement, in each case, to counsel to each of the Company Parties, the Ad Hoc Group and Ares (the Entities in this clause (ii), collectively, the "**Consenting 2016 Term Loan Lenders**");

(iii) the undersigned holders of, or investment advisors, sub-advisors, or managers of discretionary accounts that hold, 2017 Term Loan Claims (as defined herein) that have executed and delivered counterpart signature pages to this Agreement, a Joinder or a Transfer Agreement, in each case, to counsel to each of the Company Parties, the Ad Hoc Group and Ares (the Entities in this clause (iii), collectively, the "**Consenting 2017 Term Loan Lenders**");

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1 Capitalized terms used but not defined in the preamble and recitals to this Agreement have the meanings ascribed to them in Section 1.

(iv) the undersigned holders of, or investment advisors, sub-advisors, or managers of discretionary accounts that hold, Second Lien Notes Claims (as defined herein) that have executed and delivered counterpart signatures to this Agreement, a Joinder or a Transfer Agreement, in each case, to counsel to the Company Parties, the Ad Hoc Group and Ares (the Entities in this clause (iv), collectively, the "**Consenting Second Lien Noteholders**" and together with the Consenting 2016 Term Loan Lenders and the 2017 Term Loan Lenders, the "**Consenting Creditors**"); and

(v) one or more funds, investment vehicles and/or accounts managed or advised by Ares Management LLC or one or more of their affiliates, including ECR Corporate Holdings L.P., that, in each case, have executed and delivered counterpart signature pages to this Agreement or a Transfer Agreement in each case, to counsel to each of the Company Parties and the Ad Hoc Group (the entities in this clause (iv) collectively, "**Ares**" and together with the Consenting Creditors, the "**Consenting Parties**").

RECITALS

WHEREAS, certain parties hereto entered into the Original Restructuring Support Agreement;

WHEREAS, the parties hereto wish to amend and restate the Original Restructuring Support Agreement in its entirety;

WHEREAS, the Company Parties, Ares and the Consenting Creditors have in good faith and at arm's length negotiated or been apprised of certain restructuring and recapitalization transactions with respect to the Company Parties' capital structure (including with respect to Elk Hills Power (as defined herein)) on the terms set forth in this Agreement and as specified in the following documents (the "**Restructuring Transactions**"):

- the term sheet setting forth the terms and conditions of the Restructuring Transactions, attached as **Exhibit A** to this Agreement (together with all schedules, annexes, and exhibits, thereto, the "**Restructuring Term Sheet**");

- the term sheet setting forth the terms and conditions of a $650 million second-lien debtor-in-possession financing facility attached as **Annex B** to the Restructuring Term Sheet (the "**Junior DIP Term Sheet**");

- the term sheet setting forth the terms and conditions of a second-lien exit facility as attached as -**Annex C** to the Restructuring Term Sheet (the "**Second Lien Exit Facility Term Sheet**");

- the term sheet setting forth the terms and conditions of the backstop commitment (the "**Backstop Commitment Term Sheet**") attached as **Annex D** to the Restructuring Term Sheet; and

- the term sheet setting forth the terms and governance of Reorganized CRC (as defined below) (the "**Governance Term Sheet**") attached as **Annex F** to the Restructuring Term Sheet;

WHEREAS, the Company Parties intend to implement the Restructuring Transactions, as set forth in the Restructuring Term Sheet, by commencing voluntary cases under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (the "**Chapter 11 Cases**") and consummating the Plan (as defined herein);

WHEREAS, the Backstop Parties have agreed to backstop the Equity Rights Offering in accordance with the terms and conditions described in the Backstop Commitment Agreement; and

WHEREAS, the Parties have agreed to take certain actions in support of the Restructuring Transactions on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, each Party, intending to be legally bound by this Agreement, agrees as follows:

AGREEMENT

Section 1. ***Definitions and Interpretation.***

1.01. Definitions. The following terms shall have the following definitions:

"**2016 Credit Agreement**" means that certain Credit Agreement, dated as of August 12, 2016, by and among CRC, as the borrower, the lenders party thereto, and The Bank of New York Mellon Trust Company, N.A., as administrative agent and collateral agent, as may be amended, supplemented, or otherwise modified from time to time.

"**2016 Term Loan**" means all loans of CRC outstanding under the 2016 Credit Agreement.

"**2016 Term Loan Agent**" means The Bank of New York Mellon Trust Company, N.A. as administrative agent and collateral agent under the 2016 Credit Agreement.

"**2016 Term Loan Claims**" means all Claims against any Debtor arising under, derived from, or based upon the 2016 Term Loan under the 2016 Credit Agreement.

"**2017 Credit Agreement**" means that certain Credit Agreement, dated as of November 17, 2017, by and among CRC, as the borrower, the lenders party thereto, and The Bank of New York Mellon Trust Company, N.A., as administrative agent and collateral agent, as may be amended, supplemented, or otherwise modified from time to time.

"**2017 Term Loan**" means all loans of CRC outstanding under the 2017 Credit Agreement.

"**2017 Term Loan Agent**" means The Bank of New York Mellon Trust Company, N.A. as administrative agent and collateral agent under the 2017 Credit Agreement.

"**2017 Term Loan Claims**" means all Claims against any Debtor arising under, derived from, or based upon the 2017 Term Loan under the 2017 Credit Agreement.

"**9019 Orders**" means the Interim 9019 Order and the Final 9019 Order.

"**Ad Hoc Group**" means the ad hoc group of those certain funds or accounts managed, advised, or sub-advised by those certain funds that hold, among their Company Claims, 2017 Term Loan Claims, 2016 Term Loan Claims and Second Lien Notes Claims, and that is represented by the Ad Hoc Group Advisors.

"**Ad Hoc Group Advisors"** means Davis Polk & Wardwell LLP, Evercore Inc., Haynes and Boone, LLP, Trimeric Corporation, Cox, Castle & Nicholson LLP, Cornerstone Engineering, Inc., Rapp & Krock, PC, ERM Consulting and Engineering Inc. and any other special and local counsel and advisors providing advice to the Ad Hoc Group in connection with the Restructuring Transactions.

"**Affiliate**" means, with respect to any specified Entity, any other Entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Entity. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by," and "under common control with"), as used with respect to any Entity, shall mean the possession, directly or indirectly, of the right or power to direct or cause the direction of the management or policies of such Entity, whether through the ownership of voting securities, by agreement, or otherwise.

"**Agents**" means the 2017 Term Loan Agent and the 2016 Term Loan Agent.

"**Agreement**" has the meaning set forth in the preamble to this Agreement and, for the avoidance of doubt, includes all the exhibits, annexes, and schedules attached to this Agreement in accordance with Section 14.02.

"**Agreement Effective Date**" means the date on which the conditions set forth in Section 2 have been satisfied or waived in accordance with this Agreement.

"**Agreement Effective Period**" means, with respect to a Party, the period from the Agreement Effective Date to the Termination Date applicable to that Party.

"**Alternative Restructuring Proposal**" means any inquiry, proposal, offer, bid, term sheet, discussion, or agreement with respect to a sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, liquidation, tender offer, recapitalization, plan of reorganization, share exchange, business combination, or similar transaction involving any one or more Company Parties and/or Elk Hills Power or the debt, equity, or other interests in any one or more Company Parties and/or Elk Hills Power that in each case is an alternative to one or more of the Restructuring Transactions; *provided* that no inquiry, proposal, offer, bid, term sheet, discussion, or agreement that would solely replace or refinance the Second Lien Exit Facility or the Eligible Notes in whole or in part with more alternative debt financing shall constitute an Alternative Restructuring Proposal if such inquiry, proposal, offer, bid, term sheet, discussion or agreement is otherwise consistent with the Plan.

"**Amended Elk Hills Power Agreements**" means the Elk Hills Power Agreements as amended pursuant to the Elk Hills Settlement.

"**Ares**" has the meaning set forth in the Preamble to this Agreement.

"**Ares Advisors**" means Kirkland & Ellis LLP, Lazard Ltd., and any other special and local counsel and/or advisors providing advice to Ares in connection with the Restructuring Transactions.

"**Avoidance Actions**" means any and all actual or potential avoidance, recovery, subordination, or other Claims, causes of action, or remedies that may be brought by or on behalf of the Company Parties, their estates, or other parties in interest under sections 502, 510, 542, 544, 545, 547 through 553, and 724(a) or other applicable sections of the Bankruptcy Code or under similar or related local, state, federal, or foreign statutes and common law, including fraudulent transfer laws.

"**Backstop Commitment**" has the meaning ascribed to such term in the Backstop Commitment Term Sheet.

"**Backstop Commitment Agreement**" means that certain backstop commitment agreement, dated July 15, 2020, with the terms and conditions set forth in the Backstop Commitment Term Sheet and such other terms as are acceptable to the Company Parties and the Backstop Parties, by and among the Backstop Parties and CRC, as may be amended, supplemented, or modified from time to time, setting forth, among other things, the terms and conditions of the Equity Rights Offering and the Backstop Commitment.

"**Backstop Commitment Percentage**" has the meaning ascribed to such term in the Backstop Commitment Agreement; *provided*, that each Backstop Party shall be permitted to allocate their respective funding obligation with respect to the Backstop Commitment to any Affiliate designee, and the Backstop Commitment Percentage shall be calculated accordingly.

"**Backstop Commitment Term Sheet**" has the meaning set forth in the recitals to this Agreement.

"**Backstop Party**" has the meaning ascribed to it in the Backstop Commitment Term Sheet.

"**Bankruptcy Code**" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended.

"**Bankruptcy Court**" means the United States Bankruptcy Court presiding over the Chapter 11 Cases, which shall be the United States Bankruptcy Court for the Southern District of Texas.

"**Business Day**" means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

"**Cause of Action**" means any action, Claim, cause of action, Avoidance Actions, controversy, demand, right, action, lien, indemnity, Equity Interest, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or noncontingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in contract or in tort, in law or in equity, or pursuant to any other theory of law.

"**Chapter 11 Cases**" has the meaning set forth in the recitals to this Agreement.

"**Chosen Court**" means, (a) before one or more Company Parties commences Chapter 11 Cases, federal courts or state courts located in New York, New York and, (b) after commencement of such proceeding, in the Bankruptcy Court with jurisdiction over such proceeding.

"**Claim**" has the meaning ascribed to it in section 101(5) of the Bankruptcy Code.

"**Class**" means any group of Claims or interests classified by the Plan pursuant to section 1122(a) of the Bankruptcy Code.

"**Class B Preferred Units**" has the meaning ascribed to it in the Elk Hills Power Agreements.

"**Class C Common Units**" has the meaning ascribed to it in the Elk Hills Power Agreements.

"**Company Claims**" means any Claim against a Company Party, including the Prepetition RBL Claims, the 2016 Term Loan Claims, the 2017 Term Loan Claims, the Second Lien Notes Claims, the Unsecured Notes Claims, the Senior DIP Claims and the Junior DIP Claims.

"**Company Parties**" has the meaning set forth in the preamble to this Agreement.

"**Confirmation Order**" means the confirmation order with respect to the Plan.

"**Consenting 2016 Term Loan Lenders**" has the meaning set forth in the Preamble to this Agreement.

"**Consenting 2017 Term Loan Lenders**" has the meaning set forth in the Preamble to this Agreement.

"**Consenting Creditors**" means the meaning set forth in the Preamble to this Agreement.

"**Consenting Parties**" has the meaning set forth in the Preamble to this Agreement.

"**Consenting Parties Fees and Expenses**" means the reasonable and documented fees and expenses accrued since the inception of their respective engagements related to the implementation of the Restructuring Transactions and not previously paid by, or on behalf of, the Company Parties of the Ad Hoc Group Advisors, Ares Advisors and Crossover Ad Hoc Group Advisors; *provided* that the reasonable and documented fees and expenses incurred by the Crossover Ad Hoc Group Advisors shall not exceed any limitations separately agreed between the Debtors, the Ad Hoc Group Advisors and the Crossover Ad Hoc Group Advisors.

"**Consenting Second Lien Noteholders**" has the meaning set forth in the Preamble to this Agreement.

"**Conversion Right**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Crossover Ad Hoc Group**" means the ad hoc group of those certain funds or accounts managed, advised, or sub-advised by those certain funds that hold, among their Company Claims, Second Lien Notes Claims and that is represented by the Crossover Ad Hoc Group Advisors.

"**Crossover Ad Hoc Group Advisors**" means Paul, Weiss, Rifkind, Wharton & Garrison LLP, Stephens Inc., Porter Hedges LLP and Casso & Sparks, LLP, as advisors to the Crossover Ad Hoc Group in connection with the Restructuring Transactions.

"**CRC**" has the meaning set forth in the preamble to this Agreement.

"**Debtor**" means each of the Company Parties in its capacity as a debtor and debtor-in-possession in its respective Chapter 11 Case.

"**Defaulting Second Lien Exit Lender**" means any Second Lien Exit Lender that fails to timely fund its Second Lien Exit Commitment in accordance with the terms of the Second Lien Exit Facility Documents.

"**Deficiency/Unsecured Debt Claims**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Definitive Documents**" means all of the definitive documents implementing the Restructuring Transactions, including those set forth in Section 3.

"**DIP Credit Agreements**" means the Senior DIP Credit Agreement and the Junior DIP Credit Agreement.

"**DIP Order**" means the Interim DIP Order and the Final DIP Order.

"**Disclosure Statement**" means the related disclosure statement with respect to the Plan.

"**Eligible Notes**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Elk Hills Power**" means Elk Hills Power, LLC or any successor thereof.

"**Eligible Fixed Income Securities**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Eligible Stock**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Elk Hills Power Agreements**" means, collectively, (a) the Contribution and Unit Purchase Agreement, dated as of February 7, 2018, by and among Elk Hills Power, LLC, California Resources Elk Hills, LLC, ECR Corporate Holdings L.P. and, solely for the purposes of Section 7.14 thereof, California Resources Corporation; (b) the Second Amended and Restated Limited Liability Company Agreement of Elk Hills Power, LLC, dated as of February 7, 2018, by and between California Resources Elk Hills, LLC and ECR Corporate Holdings L.P.; (c) the Commercial Agreement, dated as of February 7, 2018, by and between Elk Hills Power, LLC and California Resources Elk Hills, LLC; (d) the Master Services Agreement, dated as of February 7, 2018, by and between Elk Hills Power, LLC and California Resources Elk Hills, LLC; and (e) any other agreements entered into in connection with the transactions contemplated by the foregoing agreements.

"**Elk Hills Settlement Agreement**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Entity**" shall have the meaning set forth in Section 101(15) of the Bankruptcy Code.

"**Equity Interests**" means, collectively, the shares (or any class thereof), common stock, preferred stock, general or limited partnership interests, limited liability company interests, and any other equity, ownership, or profits interests and options, warrants, rights, or other securities or agreements to acquire or subscribe for, or which are convertible into or based on the value of such shares (or any class thereof) of, common stock, preferred stock, general or limited partnership interests, limited liability company interests, or other equity, ownership, or profits interests (in each case whether or not arising under or in connection with any employment agreement).

"**Equity Rights Offering**" means the rights offering of New Common Stock to be issued by Reorganized CRC in exchange for $450 million in cash on the terms and conditions set forth in the Restructuring Term Sheet and/or Backstop Commitment Term Sheet, as applicable

"**Execution Date**" has the meaning set forth in the preamble to this Agreement.

"**Exit Facility Documents**" means the First Lien Exit Facility Documents and the Second Lien Exit Facility Documents.

"**Final 9019 Order**" means, as applicable, the final order of the Bankruptcy Court approving the Elk Hills Settlement Agreement, including the Elk Hills Settlement Agreement and the Amended Elk Hills Power Agreements attached thereto.

"**Final DIP Order**" means the final order of the Bankruptcy Court setting forth the terms of debtor-in-possession financing and use of cash collateral, which shall be consistent with and approve entry into the Senior DIP Facility Documents, the Junior DIP Term Sheet, and the Junior DIP Facility Documents.

"**First Lien Exit Facility**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**First Lien Exit Facility Documents**" means the documentation necessary to effectuate the incurrence of the First Lien Exit Facility.

"**First Day Pleadings**" means the first day pleadings that the Company Parties determine, are necessary or desirable to file, and which are reasonably acceptable in form and substance to the Required Consenting Creditors and Ares.

"**Governance Term Sheet**" has the meaning set forth in the Recitals to this Agreement.

"**Governing Body**" means the board of directors, board of managers, manager, general partner, investment committee, special committee, or such similar governing body of an Entity.

"**Interim 9019 Order**" means, as applicable, the interim order of the Bankruptcy Court approving the Elk Hills Settlement Agreement, including the Elk Hills Settlement Agreement and the Amended Elk Hills Power Agreements attached thereto.

"**Interim DIP Order**" interim order of the Bankruptcy Court setting forth the terms of debtor-in-possession financing and use of cash collateral, which shall be consistent with and approve entry into the Senior DIP Facility Documents, the Junior DIP Term Sheet, and the Junior DIP Facility Documents.

"**Joinder**" means a joinder to this Agreement substantially in the form attached to this Agreement as **Exhibit E**.

"**Junior DIP Agent**" means Alter Domus (US) LLC as administrative agent under the Junior DIP Facility.

"**Junior DIP Claims**" means any Claim against the Debtors arising under, derived from, or based upon the Junior DIP Facility or the Junior DIP Credit Agreement.

"**Junior DIP Commitment**" has the meaning ascribed to it in the Junior DIP Term Sheet.

"**Junior DIP Commitment Parties**" means the Consenting Creditors providing the Junior DIP Commitments as set forth in Exhibit C attached hereto.

"**Junior DIP Credit Agreement**" means that certain second-lien senior secured superpriority debtor-in-possession credit agreement by and among the Company Parties, the Junior DIP Agent, and the lenders that are from time to time party thereto, consistent with the terms and conditions of the Junior DIP Term Sheet and this Agreement and as approved by the DIP Orders.

"**Junior DIP Facility**" means the new second-lien superpriority debtor-in-possession credit facility to be effectuated on the terms and conditions set forth in the Junior DIP Term Sheet.

"Junior DIP Facility Documents" means the Junior DIP Credit Agreement and other documentation, agreements, instruments and certificates necessary to effectuate the incurrence of the Junior DIP Facility.

"**Junior DIP Term Sheet**" has the meaning set forth in the recitals to this Agreement.

"**KEIP/KERP Plan**" means any retention or incentive compensation plans of the Company Parties' executive management team or other key employees of the Company Parties.

"**Law**" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court).

"**Liquidation Preference**" has the meaning ascribed to it in the Elk Hills Power Agreements.

"**Make-Whole Amount**" has the meaning ascribed to it in the Elk Hills Power Agreements.

"**Milestones**" means the milestones set forth in Section 4 hereof.

"**MIP**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**New Common Stock**" means the new common stock of the Reorganized CRC to be issued on the Plan Effective Date.

"**New Organizational Documents**" means the documents providing for corporate governance of Reorganized CRC and the other Reorganized Debtors, charters, bylaws, operating agreements, or other organizational documents or shareholders' agreements, as applicable, which shall be consistent with section 1123(a)(6) of the Bankruptcy Code (as applicable) and the Governance Term Sheet.

"**Original Restructuring Support Agreement**" has the meaning set forth in the preamble to this Agreement.

"**Parties**" has the meaning set forth in the preamble to this Agreement.

"**Permitted Transferee**" means each transferee of any Company Claims who meets the requirements of Section 8.01.

"**Person**" means any natural person, corporation, limited liability company, professional association, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any governmental authority.

"**Petition Date**" means the first date any of the Company Parties commences a Chapter 11 Case.

"**Plan**" means the plan of reorganization with respect to the Restructuring Transactions.

"**Plan Effective Date**" means the date upon which (a) the Confirmation Order has been entered by the Bankruptcy Court, (b) all conditions precedent to the effectiveness of the Plan have been satisfied or are expressly waived in accordance with the terms thereof, as the case may be, (c) the transactions to occur on the Plan Effective Date pursuant to the Plan become effective or are consummated, and (d) the substantial consummation (as defined in section 1101 of the Bankruptcy Code) of the Plan occurs.

"**Plan Supplement**" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that will be filed by the Company Parties with the Bankruptcy Court.

"**Preferred Deferred Amount**" has the meaning ascribed to it in the Elk Hills Power Agreements.

"**Preferred Distribution Rate**" has the meaning ascribed to it in the Elk Hills Power Agreements.

"Prepetition RBL Claim" means all Claims against any Debtor arising under, derived from, or based upon the RBL Credit Agreement.

"**Qualified Marketmaker**" means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Company Claims (or enter with customers into long and short positions in Company Claims), in its capacity as a dealer or market maker in Company Claims and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

"**RBL Credit Agreement**" means that certain Credit Agreement, dated as of September 24, 2014, by and among CRC, as the borrower, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent, as may be amended, supplemented, or otherwise modified from time to time.

"**Related Fund**" means any fund, account (including separately managed account), or investment vehicle that is controlled, managed, advised or sub-advised by a Consenting Creditor, an Affiliate or the same investment manager, advisors or sub-advisor as a Consenting Creditor, or an Affiliate of such investment manager, advisor or sub-advisor.

"**Releases & Exculpation Provisions**" means the releases and exculpation provisions to be included in the Plan as set forth in **Annex H** of the Restructuring Term Sheet.

"**Reorganized CRC**" means California Resources Corporation on and after the Plan Effective Date and the issuer of the New Common Stock under the Plan.

"**Reorganized Debtor**" means, a Debtor, or any successor or assign thereto, by merger, reorganization, consolidation, or otherwise, on and after the Plan Effective Date, including Reorganized CRC.

"**Required Backstop Parties**" means Backstop Parties holding greater than 50% of the Backstop Commitments.

"**Required Consenting Creditors**" means the Required Consenting Term Loan Lenders and the Required Backstop Parties.

"**Required Consenting Deficiency Creditors**" means Consenting 2016 Term Loan Lenders and Consenting Second Lien Noteholders holding greater than 50% of the aggregate principal amount of the 2016 Term Loan Claims and Second Lien Notes Claims held by all Consenting Creditors that do not hold any 2017 Term Loan Claims.

"**Required Consenting Parties**" means, as of the date such consent, direction, approval or other action is required, those Consenting Parties (a) anticipated to hold greater than 66⅔% of the New Common Stock immediately after the occurrence of the Plan Effective Date (without giving effect to the MIP), calculated in accordance with (i) the Backstop Commitment Agreement and (ii) the Restructuring Term Sheet; *provided* that such calculation shall disregard shares offered in the Equity Rights Offering to non-Backstop Parties; and (b) committed to provide greater than 50% of the Backstop Commitment Percentages.

"**Required Consenting Term Loan Lenders**" means Consenting Creditors holding greater than 50% of the aggregate principal amount of the 2017 Term Loan Claims held by all Consenting Creditors.

"**Restricted Period**" means the period commencing as of the date each Consenting Creditor, as applicable, executes this Agreement until the Termination Date, as to such Consenting Creditor.

"**Restructuring Term Sheet**" has the meaning set forth in the recitals to this Agreement.

"**Restructuring Transactions**" has the meaning set forth in the recitals to this Agreement.

"**RSA Party**" means a party to this Agreement whether as an initial signatory on the date of this Agreement or pursuant to the execution of a Joinder.

"**Rules**" means Rule 501(a)(1), (2), (3), and (7) of Regulation D under the Securities Act.

"**Second Day Pleadings**" means the "second day" pleadings that the Company Parties determine are necessary or desirable to file, and which are reasonably acceptable in form and substance to the Required Consenting Creditors and Ares.

"**Second Lien Exit Commitment**" means, subject to the terms and conditions hereof, a several and not joint commitment to provide the amount set forth opposite each Second Lien Exit Lender's name in **Exhibit B** attached hereto.

"**Second Lien Exit Facility**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Second Lien Exit Facility Documents**" means the documentation necessary to effectuate the incurrence of the Second Lien Exit Facility on terms consistent with the Second Lien Exit Facility Term Sheet.

"**Second Lien Exit Facility Term Sheet**" has the meaning set forth in the recitals to this Agreement.

"**Second Lien Exit Lenders**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Second Lien Exit Permitted Transferee**" means (i) a Related Fund of a Second Lien Exit Lender, (ii) any other Second Lien Exit Lender or (iii) any other person that is a party to this Agreement or executes a joinder hereto with the consent (not to be unreasonably withheld, conditioned or delayed) of the Required Consenting Creditors and the Company (including, as part of such joinder, making the necessary representations and warranties under the Second Lien Exit Facility Documents); *provided* that absent such consent, such transferee shall be deemed a Permitted Transferee to the extent such proposed transferee deposits with the escrow agent, pursuant to escrow arrangements satisfactory to the Company, an amount of funds sufficient, in the reasonable determination of the Company, to satisfy the transferring Second Lien Exit Lender's obligations under this Agreement and the Second Lien Exit Facility Documents.

"**Second Lien Notes**" means all notes of CRC outstanding under the Second Lien Notes Indenture.

"**Second Lien Notes Claims**" means all Claims against any Debtor arising under, derived from, or based upon the Second Lien Notes Indenture.

"**Second Lien Notes Indenture**" means that certain Indenture dated as of December 15, 2015, by and among CRC, as the issuer, the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which the 8.00% senior secured second lien notes due 2022 were issued, as may be amended, supplemented, or otherwise modified from time to time.

"**Second Lien Indenture Trustee**" means Delaware Trust Company, as successor trustee under the Second Lien Notes Indenture.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Senior DIP Agent**" means JPMorgan Chase Bank, N.A. as administrative agent under the Senior DIP Facility.

"**Senior DIP Claims**" means any Claim against the Debtors arising under, derived from, or based upon the Senior DIP Facility or the Senior DIP Credit Agreement.

"**Senior DIP Commitment Letter**" means that certain letter, dated July 15, 2020, by the Senior DIP Commitment Parties setting forth their commitment to provide the Senior DIP Facility.

"**Senior DIP Commitment Parties"** means the parties set forth in the Senior DIP Commitment Letter.

"**Senior DIP Credit Agreement**" means that certain first-lien senior secured superpriority debtor-in-possession credit agreement by and among the Company Parties, the Senior DIP Agent, and the lenders that are from time to time party thereto, consistent with the terms and conditions of the Senior DIP Commitment Letter and this Agreement and as approved by the DIP Orders.

"**Senior DIP Facility**" means the new first-lien superpriority debtor-in-possession credit facility to be effectuated on the terms and conditions set forth in the Senior DIP Facility Documents.

"**Senior DIP Facility Documents**" means the Senior DIP Credit Agreement and any other documentation, agreements, instruments, and certificates necessary to effectuate the incurrence of the Senior DIP Facility.

"**Settlement Effective Date**" has the meaning ascribed to it in the Restructuring Term Sheet.

"**Solicitation Commencement Date**" means the date by which the Company Parties shall have commenced solicitation of votes to accept or reject the Plan.

"**Solicitation Materials**" means all solicitation materials in respect of the Plan.

"**Termination Date**" means the date on which termination of this Agreement as to a Party is effective in accordance with Sections 12.01, 12.02, 12.03, 12.04, 12.05, and 12.06.

"**Transfer**" means to sell, resell, reallocate, use, pledge, assign, transfer, hypothecate, participate, donate, or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales, or other transactions).

"**Transfer Agreement**" means an executed transfer agreement providing, among other things, that a transferee is bound by the terms of this Agreement and substantially in the form attached to this Agreement as **Exhibit D**.

"**Trustees**" means the Second Lien Indenture Trustee and the Unsecured Notes Trustee.

"**Unpaid Amounts**" has the meaning ascribed to it in the Elk Hills Power Agreements.

"**Unsecured Notes**" means all notes of CRC outstanding under the Unsecured Notes Indenture.

"**Unsecured Notes Claim**" means all Claims against any Debtor arising under, derived from, or based upon the Unsecured Notes Indenture.

"**Unsecured Notes Indenture**" means that certain Indenture dated as of October 1, 2014 by and among CRC, as the issuer, the guarantors party thereto, and Wells Fargo Bank, National association., as trustee, pursuant to which the 5% Senior Notes due 2020, 5.5% Senior Notes due 2021, and 6% Senior Notes due 2024 were issued, as may be amended, supplemented, or otherwise modified from time to time.

"**Unsecured Notes Indenture Trustee**" means Wells Fargo Bank, National Association, as trustee under the Unsecured Notes Indenture.

1.02. Interpretation. For purposes of this Agreement:

(a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neutral gender shall include the masculine, feminine, and the neutral gender;

(b) capitalized terms defined only in the plural or singular form shall nonetheless have their defined meanings when used in the opposite form;

(c) unless otherwise specified, any reference in this Agreement to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(d) unless otherwise specified, any reference in this Agreement to an existing document, schedule, or exhibit shall mean such document, schedule, or exhibit, as it may have been or may be amended, restated, supplemented, or otherwise modified from time to time; notwithstanding the foregoing, any capitalized terms in this Agreement that are defined with reference to another agreement, are defined with reference to such other agreement as of the date of this Agreement, without giving effect to any termination of such other agreement or amendments to such capitalized terms in any such other agreement following the date of this Agreement;

(e) unless otherwise specified in this Agreement, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If any payment, distribution, act or deadline under the Plan is required to be made or performed or occurs on a day that is not a Business Day, then the making of such payment or distribution, the performance of such act, or the occurrence of such deadline shall be deemed to be on the next succeeding Business Day, but shall be deemed to have been completed or to have occurred as of the required date.

(f) unless otherwise specified, all references in this Agreement to "Sections" are references to Sections of this Agreement;

(g) the words "herein," "hereof," and "hereto" refer to this Agreement in its entirety rather than to any particular portion of this Agreement;

(h) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Agreement;

(i) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable limited liability company Laws;

(j) the use of "include" or "including" is without limitation, whether stated or not; and

(k) the word "or" shall not be exclusive.

Section 2. ***Effectiveness of this Agreement.*** This Agreement shall become effective and binding upon each of the Parties at 12:00 a.m., prevailing Eastern Time, on the Agreement Effective Date, which is the date on which all of the following conditions have been satisfied or waived in accordance with this Agreement:

(a) each of the Company Parties shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of (i) the Company Parties, (ii) the Ad Hoc Group and (iii) Ares;

(b) holders of more than two thirds of the aggregate outstanding principal amount of the 2017 Term Loan Claims shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of (i) the Company Parties, (ii) the Ad Hoc Group and (iii) Ares;

(c) Ares has executed and delivered counterpart signature pages of this Agreement to counsel to each of (i) the Company Parties and (ii) the Ad Hoc Group;

(d) the Senior DIP Commitment Parties shall have executed and delivered counterpart signature pages to the Senior DIP Commitment Letter to counsel to each of (i) the Company Parties, (ii) the Ad Hoc Group and (iii) Ares;

(e) the Backstop Parties shall have executed and delivered counterpart signature pages of the Backstop Commitment Agreement to counsel to each of (i) the Company Parties, (ii) the Ad Hoc Group and (iii) Ares; and

(f) the Company Parties shall have paid all Consenting Parties Fees and Expenses that are due and payable as of the Agreement Effective Date; *provided, however,* that the Company

Parties shall have received an invoice for such Consenting Parties Fees and Expenses at least one (1) Business Day prior to the Agreement Effective Date.

Section 3. ***Definitive Documents.***

3.01. The Definitive Documents governing the Restructuring Transactions shall include the following (in each case, and any order, or amendment or modification of any order, entered by the Bankruptcy Court related to the below items):

(a) the First Day Pleadings and Second Day Pleadings and all orders sought pursuant thereto;

(b) the Plan (and all exhibits, ballots, solicitation procedures, and other documents and instruments related thereto), including any "Definitive Documentation" as defined therein and not explicitly so defined herein;

(c) the Plan Supplement and all documents, annexes, exhibits, schedules contained therein, including any schedules of rejected contracts;

(d) the Disclosure Statement;

(e) the order of the Bankruptcy Court approving the Disclosure Statement and the other Solicitation Materials;

(f) the Confirmation Order and pleadings in support of entry of the Confirmation Order;

(g) the 9019 Orders;

(h) the DIP Orders;

(i) the Senior DIP Facility Documents;

(j) the Junior DIP Facility Documents;

(k) the Backstop Commitment Agreement and all pleadings and agreements related to the Equity Rights Offering;

(l) the New Organizational Documents;

(m) the First Lien Exit Facility Documents;

(n) the Second Lien Exit Facility Documents;

(o) the Amended Elk Hills Power Agreements;

(p) any documentation in connection with the Conversion Right, the Eligible Stock, or the Eligible Notes, as applicable;

(q) any documentation in connection with the Eligible Notes, including the form of indenture governing the same;

(r) any KEIP/KERP Plan and any motion or order related thereto;

(s) any agreements, motions, pleadings, briefs, applications, orders, and other filings with the Bankruptcy Court related to Elk Hills Power;

(t) any other material agreements, motions, pleadings, briefs, applications, orders, and other filings with the Bankruptcy Court related to the Restructuring Transactions; and

(u) any material pleadings that impose or seek authority to impose sell-down orders or restrictions on the ability of the Consenting Creditors or other parties to trade any of the Company Parties' securities, other than equity securities.

3.02. The Definitive Documents that are not executed or in a form attached to this Agreement as of the Execution Date remain subject to negotiation and completion. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter, or instrument related to the Restructuring Transactions shall contain terms, conditions, representations, warranties, and covenants not inconsistent with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with Section 13. Further, the Definitive Documents that are not executed or in a form attached to this Agreement as of the Execution Date, and any amendment thereto, shall be subject to the following consent rights:

(a) The Definitive Documents listed in the foregoing sections 3.01(a)-(f), 3.01(i)-3.01(o), 3.01(r), 3.01(t), and 3.01(u) shall be filed no later than the Settlement Effective Date and at the time of filing shall be reasonably acceptable to Ares and the Required Consenting Creditors; *provided* that any modifications after the Settlement Effective Date to (i) the Definitive Documents listed in the foregoing 3.01(o) shall be reasonably acceptable to Ares and the Required Consenting Creditors; (ii) the Definitive Documents listed in the foregoing 3.01(a)-(f), 3.01(i)-3.01(n), 3.01(r), 3.01(t), and 3.01(u) shall be (x) reasonably acceptable to the Required Consenting Parties and (y) to the extent any modification disproportionately and adversely affects Ares, as compared to the other Required Consenting Parties, reasonably acceptable to Ares; (iii) those provisions of the Definitive Documents listed in the foregoing 3.01(b)-(f), (h)-(k), and (t) that disproportionately affect the economic recoveries of the Deficiency/Unsecured Debt Claims shall be reasonably acceptable to the Required Consenting Deficiency Creditors; and (iv) those provisions of the Definitive Documents listed in the foregoing 3.01(b)-(f), (k) and (t) that affect the

amount of the Tranche B Minimum Allocation or the portion of the Backstop Commitment Premium allocable to parties holding the Tranche B Minimum Allocations (each as defined in the Backstop Commitment Term Sheet) or the terms or conditions to payment thereof to such parties shall be reasonably acceptable to the Crossover Ad Hoc Group.

(b) The Definitive Documents listed in the foregoing sections 3.01(g), 3.01(h), 3.01(p)-3.01(q), and 3.01(s), shall be reasonably acceptable to the Required Consenting Parties and Ares.

Section 4. ***Milestones.***

4.01. The following Milestones shall apply to this Agreement unless extended or waived in writing by the Company Parties and the Required Consenting Creditors and Ares:

(a) On or prior to the Petition Date (as defined herein), the Backstop Commitment Agreement shall have been finalized.

(b) On July 15, 2020 or such earlier date as agreed upon by the parties, the Company Parties shall commence the Chapter 11 Cases.

(c) No later than 8 days after the Petition Date, the Bankruptcy Court shall have entered the Interim DIP Order.

(d) No later than 5 days after the Petition Date, the Bankruptcy Court shall have entered the Interim 9019 Order.

(e) No later than 14 days after the Petition Date, the Company Parties shall have filed the Plan, Disclosure Statement and a motion seeking approval of the Disclosure Statement.

(f) No later than 40 days after the Petition Date, the Bankruptcy Court shall have entered the Final DIP Order.

(g) No later than 40 days after the Petition Date, the Bankruptcy Court shall have entered the Final 9019 Order.

(h) No later than 40 days after the Petition Date, the Company Parties shall have filed the Plan Supplement containing the (i) schedules of assumed or rejected contracts, (ii) the constituents documents of the Reorganized Debtors consistent with the terms of the Governance Term Sheet, (iii) the form of registration rights agreement, (iv) required disclosures regarding directors and officers of the Reorganized CRC (consistent with the terms of the Governance Term Sheet) and (v) any documents (to the extent not already filed) in connection with the Definitive Documents listed in the foregoing sections 3.01(o)-3.01(q).

(i) No later than 44 days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Backstop Commitment Agreement.

(j) No later than 44 days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Solicitation Materials and the Disclosure Statement.

(k) No later than 28 days after the Subscription Commencement Date (as defined in the Backstop Commitment Agreement), the Debtors shall have ended the subscription period for the Equity Rights Offering.

(l) No later than 105 days after the Petition Date, the Bankruptcy Court shall have entered the Confirmation Order.

(m) No later than 135 days after the Petition Date, the Plan Effective Date shall have occurred.

4.02. Outside Date. With respect to the milestones set in 4.01(l) and 4.01(m), the Company Parties may not extend such milestones beyond 180 days after the Petition Date without the consent of each Backstop Party.

Section 5. ***Commitments of the Consenting Creditors.***

5.01. Affirmative Commitments. During the Agreement Effective Period, each Consenting Creditor severally, and not jointly, agrees in respect of all of its Company Claims to:

(a) support the Restructuring Transactions and vote and exercise any powers or rights available to it (including in any creditors' meeting or in any process requiring voting or approval to which they are legally entitled to participate) in each case in favor of any matter requiring approval to the extent necessary to implement the Restructuring Transactions;

(b) give any notice, order, instruction, or direction to the Agents or Trustees necessary to give effect to the Restructuring Transactions;

(c) negotiate in good faith and use commercially reasonable efforts to execute and implement the Definitive Documents that are not inconsistent with this Agreement to which it is required to be a party or to which it has consent rights pursuant to Section 3.02;

(d) consent to the use of their cash collateral and the priming of the liens on the collateral securing the 2017 Term Loans, the 2016 Term Loans and the Second Lien Notes by the liens securing the Senior DIP Facility and Junior DIP Facility, in each case in accordance with the Budget (as defined in the DIP Credit Agreements) and the DIP Order;

(e) negotiate in good faith any appropriate additional or alternative provisions or agreements to address any legal, financial, or structural impediment that may arise that would

prevent, hinder, impede, delay, or are necessary to effectuate the consummation of the Restructuring Transactions; and

(f) negotiate in good faith upon reasonable request of any other Party any modifications to the Restructuring Transactions that improve the tax efficiency of the Restructuring Transactions or are otherwise necessary to address any legal, financial, or structural impediment that may prevent the consummation of the Restructuring Transactions, in each case to the extent such modifications can be implemented without any adverse effect on such Consenting Creditor.

5.02. Negative Commitments. During the Agreement Effective Period, each Consenting Creditor severally, and not jointly, agrees in respect of all of its Company Claims that it shall not, directly or indirectly, and shall not direct any other Entity to:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(b) object to, delay, impede or take any other action to interfere with Bankruptcy Court approval of any KEIP/KERP Plan, *provided* that the terms of such programs shall not substantively differ from the proposal provided to the Ad Hoc Group Advisors and Ares on July 10, 2020;

(c) knowingly pursue, propose, file, support, solicit support for or vote for any Alternative Restructuring Proposal;

(d) file any motion, pleading, or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not consistent with this Agreement or the Plan;

(e) exercise, take (directly or indirectly), or direct the Agents or Trustees to take, any action to enforce or any right or remedy for the enforcement, collection, or recovery of any of the Company Claims against the Company Parties, including rights or remedies arising from or asserting or bringing any claims under or with respect to the 2016 Term Loan Claims, 2017 Term Loan Claims or the Second Lien Notes Claims (as applicable) other than as otherwise permitted under this Agreement;

(f) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to the Chapter 11 Cases, this Agreement, or the other Restructuring Transactions contemplated in this Agreement against the Company Parties or the other Parties other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement;

(g) support any effort to reject, seek to modify, fail to perform, or any way take any action to delay, impede, or interfere with any of the Elk Hills Power Agreements except to the extent consistent with the 9019 Orders;

(h) develop, promote or otherwise pursue the "bypass plan" involving the LTS-1 and LTS-2 gas processing plants and the 35R Cogen facility located in Kern County, California or any action with a similar effect;

(i) object to, delay, impede, or take any other action to interfere with the Company Parties' ownership and possession of their assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code; or

(j) object to, delay, impede, file any motion or pleading with the Bankruptcy Court or any other court or take any other action (or direct any of the Agents or the Second Lien Indenture Trustee to take any such action) to require or compel any holder of 2016 Term Loan Claims or Second Lien Notes Claims to turn over any recoveries or distributions under the Plan pursuant to any applicable intercreditor agreement.

5.03. Commitments with Respect to Chapter 11 Cases.

(a) During the Agreement Effective Period, each Consenting Creditor that is entitled to vote to accept or reject the Plan pursuant to its terms, severally, and not jointly, agrees that it shall, subject to receipt by such Consenting Creditor, whether before or after the commencement of the Chapter 11 Cases, of the Solicitation Materials:

(i) vote each of its Company Claims to accept the Plan by delivering its duly executed and completed ballot accepting the Plan on a timely basis following the commencement of the solicitation of the Plan and its actual receipt of the Solicitation Materials and the ballot;

(ii) support the Releases and Exculpation Provisions;

(iii) to the extent it is permitted to elect whether to opt out of the releases set forth in the Plan, elect not to opt out of the releases set forth in the Plan by timely delivering its duly executed and completed ballot(s) designating that it does not opt out of the releases;

(iv) not change, withdraw, amend, or revoke (or cause to be changed, withdrawn, amended, or revoked) any vote or election referred to in clauses (a)(i) and (a)(ii) above; and

(v) not directly or indirectly, through any Person, seek, solicit, propose, support, assist, engage in negotiations in connection with or participate in the formulation, preparation, filing, or prosecution of any Alternative Restructuring Proposal or object to or take any other action that would reasonably be expected to prevent, interfere with, delay, or impede the solicitation, approval

of the Disclosure Statement, or the confirmation and consummation of the Plan and the Restructuring Transactions; *provided* that nothing in this Section 5.03(a)(v) shall affect any rights of the Company Parties set forth in 7.03(b).

(b) Subject to Section 5.07(f) hereof, during the Agreement Effective Period, each Consenting Creditor, in respect of each of its Company Claims, severally, and not jointly, will support, and will not directly or indirectly object to, delay, impede, or take any other action to interfere with any motion or other pleading or document filed by a Company Party in the Bankruptcy Court that is not inconsistent with this Agreement.

5.04. Junior DIP Commitments. Each Junior DIP Commitment Party, severally and not jointly, commits to provide or cause to be provided by any fronting banks or any of its subsidiaries or Affiliates or any funds and/or accounts managed, advised or controlled by any of the foregoing, the Junior DIP Facility in the amount set forth opposite such Junior DIP Commitment Party's name **Exhibit C** attached hereto, in each case subject to the terms and conditions for providing such commitment set forth in the Junior DIP Term Sheet and the Junior DIP Facility Documents.

5.05. Second Lien Exit Commitments.

(a) Each Second Lien Exit Lender, severally and not jointly, commits to provide or cause to be provided by any fronting banks or any of its subsidiaries or Affiliates or any funds and/or accounts managed, advised or controlled by any of the foregoing, the Second Lien Exit Facility in the amount set forth opposite such Second Lien Exit Lender's name in **Exhibit B** attached hereto, in each case subject to the terms and conditions for providing such commitment set forth in the Second Lien Exit Facility Term Sheet.[2]

(b) Any Defaulting Second Lien Exit Lender will be liable for the consequences of its breach and the Company can enforce rights of money damages and/or specific performance upon the failure to timely fund by a Defaulting Second Lien Exit Lender. Each Second Lien Exit Lender that is not a Defaulting Second Lien Exit Lender shall have the right, but not the obligation, to assume its *pro rata* share of the Second Lien Exit Commitments of a Defaulting Second Lien Exit Lender.

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[2] On the Plan Effective Date, the Junior DIP Facility shall be repaid in full in cash with the proceeds of the Equity Rights Offering and the Second Lien Exit Facility; *provided* that, for administrative convenience, at the direction and at the option of any Junior DIP Commitment Party that is also a Second Lien Exit Lender, all or any portion of the cash to be received by such Junior DIP Commitment Party on account of the principal amount of outstanding Junior DIP Obligations owed to it shall be set off or otherwise applied on a dollar for dollar basis towards the cash payment obligations of such Second Lien Exit Lender pursuant to such documentation as the Company Parties may reasonably require to evidence the discharge of the applicable Junior DIP Obligations to the extent of the amounts so applied.

5.06. Transfer of Second Lien Exit Commitments.

(a) Each Second Lien Exit Lender's Second Lien Exit Commitment shall be transferable in whole or in part to a Second Lien Exit Permitted Transferee; *provided* that the transferring Second Lien Exit Lender shall give notice to the Company Parties of its intent to transfer its Second Lien Exit Commitment (other than to a Related Fund), whether in whole or in part. Any third party Second Lien Exit Permitted Transferee of any Second Lien Exit Commitment shall agree in writing to be bound by the representations, warranties, covenants and obligations of such transferring Second Lien Exit Lender under this Agreement and any Second Lien Exit Permitted Transferee other than a Related Fund shall, as a condition of such transfer, provide the Company Parties and the non-transferring Second Lien Exit Lenders with evidence reasonably satisfactory to the Company Parties that such transferee is reasonably capable of fulfilling such obligations, including such financial information as may reasonably be requested by the Company Parties demonstrating the ability of such Second Lien Exit Permitted Transferee to fund the entire amount of its existing Second Lien Exit Commitment (if any) plus the amount of the Second Lien Exit Commitment transferred to such Second Lien Exit Permitted Transferee.

(b) Any transfer in violation of this Section 5.06 shall be void *ab initio*; *provided* that a transfer shall not be void *ab initio* solely on account of a Second Lien Exit Lender's failure to provide notice of such transfer.

5.07. Additional Provisions Regarding the Consenting Creditors' Commitments. Notwithstanding anything contained in this Agreement, nothing in this Agreement shall:

(a) impair or waive the rights of any Consenting Creditor to appear as a party in interest in any matter to be adjudicated in the Chapter 11 Cases, so long as such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement or for the purpose of delaying, interfering, impeding, or taking any other action to delay, interfere or impede, directly or indirectly, the Restructuring Transactions;

(b) affect the ability of any Consenting Creditor to consult with the Company Parties or any other party in interest in the Chapter 11 Cases (including any official committee and the United States Trustee), so long as, in the case of consultation with any party in interest, the appearance, and positions advocated in connection therewith are not inconsistent with this Agreement or for the purpose of delaying, interfering, impeding, or taking any other action to delay, interfere or impede, directly or indirectly, the Restructuring Transaction;

(c) impair or waive the rights of any Consenting Creditor to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions;

(d) prevent any Consenting Creditor from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement; or

(e) obligate a Consenting Creditor to deliver a vote to support the Plan or prohibit a Consenting Creditor from withdrawing such vote, in each case from and after the Termination Date (other than a Termination Date as a result of the occurrence of the Plan Effective Date); *provided* that upon the Termination Date as to a Consenting Creditor (other than a Termination Date as a result of the occurrence of the Plan Effective Date), such Consenting Creditor's vote shall automatically be deemed void *ab initio* and such Consenting Creditor shall have a reasonable opportunity to cast a vote.

Section 6. ***Commitments of Ares*****.**

6.01. Affirmative Commitments. During the Agreement Effective Period, Ares agrees to:

(a) support the Restructuring Transactions and vote and exercise any powers or rights available to it (including in any creditors' meeting or in any process requiring voting or approval to which they are legally entitled to participate) in each case in favor of any matter requiring approval to the extent necessary to implement the Restructuring Transactions;

(b) negotiate in good faith and use commercially reasonable efforts to execute and implement the Definitive Documents to which it has consent rights that are not inconsistent with this Agreement to which it is required to be a party or to which it has consent right pursuant to Section 3.02;

(c) negotiate in good faith any appropriate additional or alternative provisions or agreements to address any legal, financial, or structural impediment that may arise that would prevent, hinder, impede, delay, or are necessary to effectuate the consummation of the Restructuring Transactions;

(d) consent to the use of its powers under the Elk Hills Power Agreements (including to cause its representatives on the board of Elk Hills Power to vote to amend the Elk Hills Power Agreements) in accordance with the Restructuring Term Sheet and the 9019 Orders; and

(e) negotiate in good faith upon reasonable request of any other Party any modifications to the Restructuring Transactions that improve the tax efficiency of the Restructuring Transactions or are otherwise necessary to address any legal, financial, or structural impediment that may prevent the consummation of the Restructuring Transactions, in each case to the extent such modifications can be implemented without any adverse effect on Ares.

6.02. Negative Commitments. During the Agreement Effective Period, Ares agrees not to:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(b) object to, delay, impede, or take any other action to interfere with the DIP Orders and DIP Credit Agreements;

(c) object to, delay, impede or take any other action to interfere with Bankruptcy Court approval of any KEIP/KERP Plan;

(d) knowingly pursue, propose, file, support, solicit support for or vote for any Alternative Restructuring Proposal;

(e) file any motion, pleading, or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not consistent with this Agreement or the Plan;

(f) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to the Chapter 11 Cases, this Agreement, or the other Restructuring Transactions contemplated in this Agreement against the Company Parties or the other Parties other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement; or

(g) object to, delay, impede, or take any other action to interfere with the Company Parties' ownership and possession of their assets, other than as set forth in the Restructuring Term Sheet or the 9019 Order, including Elk Hills Power or any assets thereof, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code.

6.03. Commitments with Respect to Chapter 11 Cases.

(a) During the Agreement Effective Period, Ares agrees to:

(i) support and not oppose the assumption of the Amended Elk Hills Power Agreements pursuant to the 9019 Orders on terms consistent with the Restructuring Term Sheet;

(ii) support the Releases and Exculpation Provisions;

(iii) not directly or indirectly, through any Person, seek, solicit, propose, support, assist, engage in negotiations in connection with or participate in the formulation, preparation, filing, or prosecution of any Alternative Restructuring Proposal or object to or take any other action that would reasonably be expected to prevent, interfere with, delay, or impede the solicitation, approval of the Disclosure Statement, or the confirmation and consummation of the Plan and the Restructuring Transactions; *provided* that nothing in this Section 6.03(a)(iii) shall affect any rights of the Company Parties set forth in 7.03(b).

(b) During the Agreement Effective Period, Ares will support, and will not directly or indirectly object to, delay, impede, or take any other action to interfere with any motion or other

pleading or document filed by a Company Party in the Bankruptcy Court that is not inconsistent with this Agreement.

6.04. Additional Provisions Regarding Ares Commitments. Notwithstanding anything contained in this Agreement, nothing in this Agreement shall:

(a) impair or waive the rights of Ares to appear as a party in interest in any matter to be adjudicated in the Chapter 11 Cases, so long as such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement or for the purpose of delaying, interfering, impeding, or taking any other action to delay, interfere or impede, directly or indirectly, the Restructuring Transactions;

(b) affect the ability of Ares to consult with the Company Parties or any other party in interest in the Chapter 11 Cases (including any official committee and the United States Trustee), so long as, in the case of consultation with any party in interest, the appearance, and positions advocated in connection therewith are not inconsistent with this Agreement or for the purpose of delaying, interfering, impeding, or taking any other action to delay, interfere or impede, directly or indirectly, the Restructuring Transaction;

(c) impair or waive the rights of Ares to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions; or

(d) prevent Ares from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

Section 7. ***Commitments of the Company Parties.***

7.01. Affirmative Commitments. Except as set forth in Section 7.03, during the Agreement Effective Period, each of the Company Parties agrees to:

(a) support and take all steps reasonably necessary and desirable to consummate the Restructuring Transactions in accordance with this Agreement;

(b) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions contemplated in this Agreement, support and take all steps reasonably necessary and desirable to address any such impediment;

(c) use commercially reasonable efforts to obtain any and all required governmental, regulatory and/or third-party approvals for the implementation or consummation for the Restructuring Transactions;

(d) negotiate in good faith and use commercially reasonable efforts to execute and deliver the Definitive Documents and any other required agreements to effectuate and consummate the Restructuring Transactions, as contemplated by this Agreement;

(e) provide counsel for the Consenting Creditors and counsel for Ares a reasonable opportunity (which, to the extent reasonably practicable, shall be no less than two (2) Business Days) to review draft copies of all Definitive Documents that the Company Parties intend to file with the Bankruptcy Court;

(f) actively oppose and object to the efforts of any person seeking to object to, delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring Transactions (including, if applicable, the filing of timely filed objections or written responses) to the extent such opposition or objection is reasonably necessary or desirable to facilitate implementation of the Restructuring Transactions;

(g) timely file a formal objection to any motion filed with the Bankruptcy Court by any Person seeking the entry of an order (i) directing the appointment of an examiner (with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code) or a trustee, (ii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (iii) dismissing the Chapter 11 Cases, (iv) modifying or terminating the Company Parties' exclusive right to file and solicit acceptances of a plan of reorganization or (v) for relief that (A) is inconsistent with this Agreement in any respect or (B) would, or would reasonably be expected to, frustrate the purposes of this Agreement, including by preventing the consummation of the Restructuring Transactions;

(h) timely file a formal objection to any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the claims of the Consenting Creditors;

(i) use commercially reasonable efforts to comply with all Milestones;

(j) upon reasonable request of the Consenting Creditors and Ares (which, in each case, may be through the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors), as applicable, use commercially reasonable efforts to inform the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors as to: (i) the material business and financial (including liquidity) performance of the Company Parties; (ii) the status and progress of the Restructuring Transactions, including progress in relation to the negotiations of the Definitive Documents; and (iii) the status of obtaining any necessary or desirable authorizations (including any consents) from each Consenting Creditor, any competent judicial body, governmental authority, banking, taxation, supervisory, or regulatory body or any stock exchange;

(k) inform the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors as soon as reasonably practicable after becoming aware of: (i) any matter or circumstance which they know, or believe is likely, to be a material impediment to the implementation or consummation of the Restructuring Transactions; (ii) any notice of any commencement of any material involuntary insolvency proceedings, legal suit for payment of debt or securement of security from or by any person in respect of any Company Party; (iii) a breach of

this Agreement (including a breach by any Company Party); and (iv) any representation or statement made or deemed to be made by them under this Agreement which is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;

(l) use commercially reasonable efforts to maintain their good standing under the Laws of the state or other jurisdiction in which they are incorporated or organized;

(m) use commercially reasonable efforts to seek additional support for the Restructuring Transactions from their other material stakeholders to the extent reasonably prudent and, to the extent the Company Parties receive any Joinders or Transfer Agreements, to notify the Consenting Creditors of such Joinders and Transfer Agreements;

(n) promptly pay the Consenting Parties Fees and Expenses in accordance with this Agreement and the applicable fee letters on a monthly basis and within ten (10) Business Days of receipt of invoices thereof;

(o) not seek application of the equitable doctrine of marshaling, section 506(c) of the Bankruptcy Code or section 552(b) of the Bankruptcy Code with respect to any of the Senior DIP Facility, Junior DIP Facility, 2017 Term Loan adequate protection liens and claims, or the existing 2017 Term Loan Claims without the consent of the Required Consenting Creditors; *provided* that, solely in the event that this Agreement has been terminated by (1) Consenting Creditors constituting Required Consenting Creditors, (2) a Party due to the material breach by Consenting Creditors constituting Required Consenting Creditors or (3) the Company pursuant to Section 12.03(a), (b), (d), (e), (g) or (h) hereof, then in each case the Crossover Ad Hoc Group's ability to assert (solely to the extent that they are not contractually prohibited from doing so) section 506(c) of the Bankruptcy Code or section 552(b) of the Bankruptcy Code with respect to any of the Senior DIP Facility, Junior DIP Facility, 2017 Term Loan adequate protection liens and claims, or the existing 2017 Term Loan Claims without the consent of the Required Consenting Creditors and the equitable doctrine of "marshaling" or any similar doctrine with respect to any of the DIP Collateral (as defined in the Interim DIP Order) shall be preserved until the Plan Effective Date and the rights of all Parties to oppose such assertions on any grounds are hereby expressly preserved;

(p) negotiate in good faith upon reasonable request of any other Party any modifications to the Restructuring Transactions that improve the tax efficiency of the Restructuring Transactions or are otherwise necessary to address any legal, financial, or structural impediment that may prevent the consummation of the Restructuring Transactions, in each case to the extent such modifications can be implemented without any adverse effect on such Company Party; and

(q) provide any inquiry, proposal, offer, bid or term sheet that solely seeks to refinance the Second Lien Exit Facility or the Eligible Notes to the Ad Hoc Group Advisors, the Crossover

Ad Hoc Group Advisors and the Ares Advisors within two (2) Business Days of receiving such inquiry, proposal, offer, bid or term sheet.

7.02. Negative Commitments. Except as set forth in Section 7.03, during the Agreement Effective Period, each of the Company Parties shall not directly or indirectly:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(b) take any action that is inconsistent in any material respect with, or is intended to frustrate or impede approval, implementation and consummation of the Restructuring Transactions described in, this Agreement, the Plan, or the Definitive Documents;

(c) file any motion, pleading, or Definitive Documents with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is materially inconsistent with this Agreement or the Restructuring Transactions;

(d) amend, alter, supplement, restate or otherwise modify any Definitive Document, in whole or in part, in a manner that is materially inconsistent with this Agreement or the Restructuring Transactions;

(e) amend, alter, supplement, restate or otherwise modify any Elk Hills Power Agreements, in whole or in part, in a manner that is materially inconsistent with the Restructuring Term Sheet without the consent of the Required Consenting Creditors and Ares;

(f) (i) operate its business outside the ordinary course (other than any changes in the operations resulting from or relating to the Restructuring Transactions or the filing of the Chapter 11 Cases), taking into account the Restructuring Transactions or (ii) engage in any material merger, consolidation, disposition, acquisition, investment, dividend, incurrence of indebtedness or other similar transaction or transfer any asset or right of the Company Parties or any asset or right used in the business of the Company Parties to any person or entity outside the ordinary course of business, in each of cases (i) and (ii) without the reasonable consent of the Required Consenting Creditors and, prior to the Settlement Effective Date, Ares; *provided* that, from and after the Settlement Effective Date, any action described in subsections (i) or (ii) of this section 7.02(f) that disproportionately and adversely affects Ares, as compared to the other Required Consenting Parties, shall require the reasonable consent of Ares.

(g) except to the extent required by this Agreement or otherwise required to consummate the Restructuring Transactions, make or change any tax election, change any annual tax accounting period, adopt or change any method of tax accounting, file any amended tax return, enter into any closing agreement, settle any tax claim or assessment, surrender any right to claim a tax refund, offset or other reduction in tax liability or consent to any extension or waiver of the limitation period applicable to any tax claim or assessment, in each case without the reasonable consent of the Required

Consenting Creditors and, prior to the Settlement Effective Date, Ares; *provided* that, from and after the Settlement Effective Date, any action described in this Section 7.02(g) that disproportionately and adversely affects Ares, as compared to the other Required Consenting Parties, shall require the reasonable consent of Ares;

(h) support any effort to reject, seek to modify, fail to perform, or any way take any action to delay, impede, or interfere with any of the Elk Hills Power Agreements except to the extent consistent with the 9019 Orders;

(i) develop, promote or otherwise pursue the "bypass plan" involving the LTS-1 and LTS-2 gas processing plants and the 35R Cogen facility located in Kern County, California or any action with a similar effect;

(j) except with the consent of the Required Consenting Creditors, (i) take any action that would result in the entry of any order by the Bankruptcy Court that imposes a sell-down order or restricts the ability of Consenting Creditors or other parties to Transfer any of the Company Parties' securities, including, for the avoidance of doubt, any such order intended to preserve net operating losses or other tax attributes or (ii) make any material determination with respect to (a) any such transfer restriction, sell-down order, or notification requirement regarding ownership of claims in order to determine whether further actions (including Transfer restrictions or sell-down orders) are necessary or (b) the potential imposition or waiver of any of the foregoing; provided that the Required Consenting Creditors shall consent to (A) the filing by the Company Parties of a motion with the Bankruptcy Court for entry of an order establishing the date of the entrance of such order as the record date for notice of such potential trading restriction or sell-down order with respect to Company Claims and (B) the filing by the Company Parties of a motion restricting trading of CRC's equity securities which, for the avoidance of doubt, do not include Company Claims; or

(k) object to, delay, impede, file any motion or pleading with the Bankruptcy Court or any other court or take any other action (or direct any of the Agents or the Second Lien Indenture Trustee to take any such action) to require or compel any holder of 2016 Term Loan Claims or Second Lien Notes Claims to turn over any recoveries or distributions under the Plan pursuant to any applicable intercreditor agreement.

7.03. Additional Provisions Regarding Company Parties' Commitments.

(a) Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall require a Company Party or the Governing Body of a Company Party to take or refrain from taking any action (including terminating this Agreement under Section 12) to the extent such Company Party or the Governing Body of a Company Party determines, based on the advice of counsel, that taking or refraining from taking such action, as applicable, would be inconsistent with applicable Law or its fiduciary obligations under applicable Law. The Company Parties shall give prompt written notice to the Consenting Creditors and Ares of any determination made in

accordance with this Section 7.03(a). This Section 7.03(a) shall not impede any Party's right to terminate this Agreement pursuant to Section 12, including, for the avoidance of doubt, Ares or the Consenting Creditors' rights to terminate in accordance with Section 12.01.

(b) Notwithstanding anything to the contrary in this Agreement, upon receipt of an Alternative Restructuring Proposal, each Company Party and their respective directors, managers, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives (including any Governing Body members) shall have the right to consider, consistent with their fiduciary duties, such Alternative Restructuring Proposal; *provided* that if any Company Party receives an Alternative Restructuring Proposal, then such Company Party shall (A) within one calendar day of receiving such proposal, notify the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors of the receipt of such proposal and deliver a copy of such proposal to the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors; (B) provide the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors with regular updates as to the status and progress of such Alternative Restructuring Proposal; and (C) use commercially reasonable efforts to respond promptly to reasonable information requests and questions from the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors relating to such Alternative Restructuring Proposal. If the Company Parties decide to file, support, make a written proposal or counterproposal to any party relating to an Alternative Restructuring Proposal, the Company Parties must provide notice to the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors prior to taking any such action. Upon receipt of such notice, the Required Consenting Creditors and Ares shall have the right to terminate this Agreement pursuant to Section 12.01(dd) of this Agreement.

(c) Nothing in this Agreement shall: (i) impair or waive the rights of any Company Party to assert or raise any objection permitted under this Agreement in connection with the implementation of the Restructuring Transactions; (ii) affect the ability of any Company Party to consult with any Consenting Creditors, Ares, or any other party in interest in the Chapter 11 Cases (including any official committee and the United States Trustee); or (iii) prevent any Company Party from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

Section 8. ***Transfer of Company Claims.***

8.01. Except solely to the extent provided in Sections 8.02 or 8.04 of this Agreement or in any First Day Pleading, this Agreement shall not limit, restrict, or otherwise affect in any way a Party's right, authority, or power to Transfer any Company Claims, including any right, title, or interest in a Company Claim.

8.02. Transfer Restrictions. During the Restricted Period, and subject to the terms and conditions of this Agreement, each Party agrees, solely with respect to itself, as expressly identified and limited on its signature page or Joinder or Transfer Agreement, and not in any other manner or

with respect to any affiliates, not to Transfer any right, title, or interest in a Company Claim, unless (a) the Transferee is a Party to this Agreement or (b) if the Transferee is not already a Party to this Agreement, the Transferee agrees in writing to be bound by the terms of this Agreement by executing a Transfer Agreement in the form attached to this Agreement by the date of that Transfer. Any Transfer in violation of this Section 8.02 or 8.04 shall be void *ab initio*. The Transferee shall use commercially reasonable efforts to promptly provide notice of any Transfer made pursuant to this section 8.02, including the amount and type of Company Claims transferred, to counsel to the Company Parties.

8.03. General Exception. Notwithstanding anything in this Agreement to the contrary, this Section 8 shall not apply to the grant of any lien or encumbrance on any right, title, or interest in a Company Claim in favor of a bank or broker-dealer holding custody of any such right, title, or interest in the Company Claim in the ordinary course of business that is released upon the Transfer of any such right, title, or interest.

8.04. Qualified Marketmaker Exceptions.

(a) Notwithstanding Section ☒8.02, a Consenting Creditor may Transfer any right, title, or interest in its Company Claims to an entity that is acting in its capacity as a Qualified Marketmaker without the requirement that the Qualified Marketmaker execute a Transfer Agreement or be a Party to this Agreement, on the condition that any subsequent Transfer by such Qualified Marketmaker of the right, title or interest in such Company Claim is to a Transferee that (A) is a Party to this Agreement at the time of such Transfer or (B) becomes a Party to this Agreement on or before the date of such Transfer by executing a Transfer Agreement pursuant to Section 8.02(b). The Transferee (but not, for the avoidance of doubt, a Qualified Marketmaker) shall use commercially reasonable efforts to promptly provide notice of any Transfer made pursuant to this section 8.04(a), including the amount and type of Company Claims transferred, to counsel to the Company Parties.

(b) Notwithstanding Section 8.04(a), a Qualified Marketmaker may Transfer any right, title, or interest in any Company Claims that it acquires from a Party to this Agreement to another Qualified Marketmaker (the "**Transferee Qualified Marketmaker**") without the requirement that the Transferee Qualified Marketmaker execute a Transfer Agreement or be a Party to this Agreement, on the condition that any subsequent Transfer by such Transferee Qualified Marketmaker of the right, title, or interest in such Company Claims is to a Transferee that (A) is a Party to this agreement at the time of such Transfer or (B) becomes a Party to this Agreement by the date of settlement of such Transfer by executing a Transfer Agreement pursuant to Section 8.05. The Transferee (but not, for the avoidance of doubt, a Qualified Marketmaker) shall use commercially reasonable efforts to promptly provide notice of any Transfer made pursuant to this section 8.04(b), including the amount and type of Company Claims transferred, to counsel to the Company Parties.

(c) At the time of a Transfer of any Company Claims to the Qualified Marketmaker:

(i) if such Company Claims may be voted in favor of the Plan, the Party to this Agreement must first vote such Company Claims in accordance with the requirements of this Agreement; and

(ii) to the extent that a Qualified Marketmaker that is not otherwise a Party to this Agreement is eligible and entitled to vote the Company Claims acquired pursuant to Section 8.05(a) above, is not otherwise precluded from voting such Company Claims in favor of the Plan, and receives a separate ballot for such Company Claims, such Qualified Marketmaker shall, before the expiration of the Plan voting deadline established by the Bankruptcy Court, vote such Company Claims in favor of the Plan as contemplated hereunder.

(d) Notwithstanding Section 8.02, to the extent that a Party to this Agreement is acting in its capacity as a Qualified Marketmaker, it may Transfer any right, title or interest in any Company Claim that the Qualified Marketmaker acquires from a holder of such Company Claims that is not a Party to this Agreement without the requirement that the transferee execute a Transfer Agreement or be a Party hereto.

8.05. Transfer Agreement.

(a) A Transferee that becomes a Party to this Agreement as provided in Section 8.02(b) shall deliver a copy of the executed Transfer Agreement to counsel for the Company Parties in accordance with Section ⊠14.10 of this Agreement within three (3) business days after the date of the Transfer, so long as such Transfer Agreement was executed in accordance with this Agreement. The Transfer Agreement shall be treated as confidential information and shall not be disclosed without prior written consent of the Transferee.

8.06. Effect of Delivery of Transfer Agreement. By executing and delivering a Transfer Agreement as provided under Section 8.02(b), a Transferee:

(a) becomes and shall be treated for all purposes under this Agreement as a Party to this Agreement with respect to the Transferred Company Claims and with respect to all other Company Claims that the Transferee holds and subsequently acquires, subject to Section 8.03 and 8.04(d);

(b) agrees to be bound by all of the terms of this Agreement (as such terms may be amended from time to time in accordance with the terms hereof); and

(c) is deemed, without further action, to make to the other Parties hereto the representations and warranties that the Parties to this Agreement make in Section 9 of this Agreement, in each case as of the date of the Transfer Agreement.

8.07. Effect of Transfer; No Liability. A Party of this Agreement that Transfers any right, title, or interest in any Company Claims in accordance with the terms of this Section 8 shall (a) be

deemed to relinquish its rights and be released from its obligations under this Agreement solely to the extent of such Transferred Company Claims and (b) not be liable to any party to this Agreement for the failure of the Transferee, whether or not a Qualified Marketmaker, to comply with the terms and conditions of this Agreement.

8.08. Additional Claims. This Agreement shall not limit, restrict, or otherwise affect in any way a Party's right, authority, or power to acquire any Company Claims in addition to the Party's Company Claims and such acquired claims shall automatically and immediately upon acquisition by a Party be deemed to be subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to counsel to the Company Parties, as described below), except as set forth in Section 8.04 above. During the Restricted Period, upon the written request of the Company Parties, a Party to this Agreement that acquires additional Company Claims from an entity that is not a Party to this Agreement shall deliver a current list of its Company Claims to counsel for the Company Parties within five (5) business days after the receipt of such request, and such list shall be treated as confidential information and shall not be disclosed without prior written consent of such Party to this Agreement.

8.09. Exception for Pending Trades. Notwithstanding anything to the contrary herein, a claim Transferred to or by a Party to this Agreement prior to the Agreement Effective Date and that is an open trade on the Agreement Effective Date shall not be subject to, or bound by, the terms and conditions of this Agreement (it being understood that such claim so Transferred to and held by a Party to this agreement for its own account (*i.e.*, not as part of a short transaction, or to be Transferred by the Party under an open trade or any other transaction entered into by such Party prior to, and pending as of the date of, such Party's entry into this Agreement) shall be subject to the terms of this Agreement, as provided in Section 8.07).

8.10. Signature Page Limitation. The Parties understand that the RSA Parties may be engaged in a wide range of financial services and businesses, and, in furtherance of the foregoing, the Parties acknowledge and agree that, to the extent an RSA Party expressly indicates on its signature page hereto or on a Joinder that it is executing this Agreement solely on behalf of specific trading desk(s) and/or business group(s) of the RSA Party, the obligations set forth in this Agreement shall apply only to such trading desk(s) and/or business group(s) and shall not apply to any other trading desk, business group or affiliate of the RSA Party unless they separately become a party hereto.

Section 9. ***Representations and Warranties of Consenting Creditors.*** Each Consenting Creditor severally, and not jointly, represents and warrants that, as of the date such Consenting Creditor executes and delivers this Agreement and as of the Agreement Effective Date:

(a) it is the beneficial or record owner of the aggregate principal amount of the Company Claims or is the nominee, investment manager, or advisor for beneficial holders of the Company Claims reflected in, and, having made reasonable inquiry, is not the beneficial or record owner of

any Company Claims other than those reflected in, such Consenting Creditor's signature page to this Agreement or a Transfer Agreement, as applicable (as may be updated pursuant to Section 8);

(b) it has the full power and authority to act on behalf of, vote and consent to matters concerning, such Company Claims;

(c) such Company Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would adversely affect in any way such Consenting Creditor's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed;

(d) it has reviewed, or had the opportunity to review, with the assistance of professional and legal advisors of its choosing, all information it deems necessary and appropriate for it to evaluate the financial risks inherent in the Restructuring Transactions and accept the terms of this Agreement;

(e) it has knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and of making an informed investment decision, and has conducted an independent review and analysis of the business and affairs of the Company Parties that it considers sufficient and reasonable for the purposes of entering into this Agreement;

(f) solely with respect to holders of Company Claims, (i) it is either (A) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**"), (B) not a "U.S. person" as defined in Regulation S under the Securities Act, or (C) an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act, and in each case is able to bear the risk of its investment in the Company Claims, and (ii) any securities acquired by the Consenting Creditor in connection with the Restructuring Transactions will have been acquired for investment for its own account and not with a view to distribution or resale in violation of the Securities Act; and

(g) it has the full power to vote, approve changes to, and transfer all of its Company Claims and/or Interests or Claims with respect to Elk Hills Power referable to it as contemplated by this Agreement subject to applicable Law.

Section 10. ***Representations and Warranties of Ares.*** Ares severally, and not jointly, represents and warrants that, as of the date Ares executes and delivers this Agreement and as of the Agreement Effective Date:

(a) it has the full power and authority to act on behalf of, vote and consent to matters concerning, all of its claims and interests in Elk Hills Power and all of its Company Claims;

(b) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements with the other Parties (including their representatives) to this Agreement that have not been disclosed to all Parties to this Agreement.

(c) it has reviewed, or had the opportunity to review, with the assistance of professional and legal advisors of its choosing, all information it deems necessary and appropriate for it to evaluate the financial risks inherent in the Restructuring Transactions and accept the terms of this Agreement;

(d) it has knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and of making an informed investment decision, and has conducted an independent review and analysis of the business and affairs of the Company Parties and Elk Hills Power that it considers sufficient and reasonable for the purposes of entering into this Agreement;

(e) (i) it is either (A) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**"), (B) not a "U.S. person" as defined in Regulation S under the Securities Act, or (C) an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act, and in each case is able to bear the risk of its investment in the Company Claims and Elk Hills Power, and (ii) any securities acquired by the Consenting Creditor in connection with the Restructuring Transactions will have been acquired for investment for its own account and not with a view to distribution or resale in violation of the Securities Act; and

(f) it has the full power to vote, approve changes to, and transfer all of its Company Claims referable to it as contemplated by this Agreement subject to applicable Law.

Section 11. ***Mutual Representations, Warranties, and Covenants.*** Each of the Parties, severally, and not jointly, represents, warrants and covenants to each other Party that, as of the date such Party executes and delivers this Agreement and as of the Agreement Effective Date:

(a) it is validly existing and in good standing under the Laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(b) except as expressly provided in this Agreement, the Plan, and the Bankruptcy Code, no consent or approval is required by any other Entity in order for it to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement;

(c) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not, and will not, conflict in any material respect with any Law or regulation applicable

to it or with any of its articles of association, memorandum of association, or other constitutional documents;

(d) except as expressly provided in this Agreement, it has (or will have, at the relevant time) all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement;

(e) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements, with the other Parties to this Agreement that have not been disclosed to all Parties to this Agreement; and

(f) no Party is considering, or has any agreement or understanding with respect to, any Alternative Restructuring Proposal that has not been disclosed to the Required Consenting Creditors;

Section 12. ***Termination Events.***

12.01. Consenting Creditors Termination Events. This Agreement may be terminated by the Required Consenting Creditors with respect to the Consenting Creditors by the delivery to the Company Parties and Ares of a written notice in accordance with Section 14.10 hereof upon the occurrence of the following events:

(a) the breach in any material respect by a Company Party or Ares of any of covenants of such Company Party or Ares set forth in this Agreement, which breach remains uncured for ten (10) Business Days after such terminating Consenting Creditor transmits a written notice in accordance with Section 14.10 of this Agreement detailing any such breach;

(b) any representation or warranty in this Agreement made by the Company Parties shall have been untrue in any material respect when made or shall have become untrue in any material respect, which remains uncured for ten (10) Business Days after the Company Party discovers the untrue nature of the representation or warranty;

(c) [Reserved];

(d) (i) the Company Parties lose the ability to utilize the gas processing and other services or the ability to purchase power or other commodities, (ii) the date or amount fixed for Class C distributions pursuant to that certain Second Amended and Restated Limited Liability Company Agreement, dated February 7, 2018 (as amended, supplemented, or otherwise modified from time to time), by and between California Resources Elk Hills, LLC and ECR Corporate Holdings L.P. are changed, or (iii) the composition of the board of Elk Hills Power is changed without the consent of the Company Parties, in each case provided under the Elk Hills Power Agreements and/or the

Elk Hills Power Agreements are terminated or rejected, in each of cases (i)-(iii) without the consent of the Required Consenting Creditors;

(e) [Reserved];

(f) the occurrence of an event giving rise to the right of the Required Backstop Parties to terminate the Backstop Commitment Agreement that has not been waived or timely cured in accordance therewith;

(g) the Interim 9019 Order or Final 9019 Order, as applicable, is entered prior to, or not conditioned on, the Interim DIP Order or the Final DIP Order, as applicable;

(h) the Interim DIP Order or the Final DIP Order, as applicable, is entered prior to, or not conditioned on, the Interim 9019 Order or the Final 9019 Order, as applicable;

(i) the Interim DIP Order or the Interim 9019 Order is entered in a form not acceptable to the Required Consenting Creditors; *provided* that the forms of Interim DIP Order and Interim 9019 Order attached to the Restructuring Term Sheet as Annex H and Annex I, respectively, are deemed to be acceptable to the Required Consenting Creditors;

(j) the Final DIP Order or the Final 9019 Order is entered in a form not acceptable to the Required Consenting Creditors; *provided* that a Final DIP Order in substantially similar form, with necessary changes to ensure consistency with Section 7.01(o) hereof and reflect final relief, including providing waivers to section 506(c) of the Bankruptcy Code, section 552 of the Bankruptcy Code and the equitable doctrine of "marshaling" or any other similar doctrines, to the Interim DIP Order attached to the Restructuring Term Sheet as Annex H is deemed acceptable to the Required Consenting Creditors;

(k) the DIP Orders are reversed, stayed, dismissed, vacated, reconsidered, modified or amended in a manner that is not approved by the Required Consenting Creditors or any DIP Order is entered that is not acceptable to the Required Consenting Creditors;

(l) the delivery of a Termination Notice (as defined in the applicable DIP Order) under either DIP Order unless cured or ordered otherwise by the Bankruptcy Court during the Remedies Notice Period (as defined in the applicable DIP Order) or the Debtors' ability to use cash collateral pursuant to either of the DIP Orders terminates or is modified without the consent of the Required Consenting Creditors;

(m) an Event of Default (as defined in the applicable DIP Credit Agreement) under either DIP Credit Agreement has occurred and is continuing and the applicable DIP Agent has provided notice to the Company Parties of such Event of Default;

(n) any debtor-in-possession financing is entered into (other than pursuant to the Senior DIP Credit Agreement or the Junior DIP Credit Agreement), or the Company Parties file a motion seeking approval of debtor-in-possession financing (other than pursuant to the Senior DIP Credit Agreement or the Junior DIP Credit Agreement), on terms that are inconsistent with this Agreement or otherwise not reasonably acceptable to the Required Consenting Creditors;

(o) the First Lien Exit Facility Documents are terminated, modified, or otherwise amended without the consent of the Required Consenting Creditors, such consent not to be unreasonably withheld, conditioned or delayed;

(p) the Second Lien Exit Facility Documents are terminated, modified, or otherwise amended in a manner not consistent with the Second Lien Exit Facility Term Sheet;

(q) the Backstop Commitments are terminated, modified, or otherwise amended without the consent of the Required Consenting Creditors, which consent shall not be unreasonably withheld, conditioned, or delayed;

(r) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling, judgment or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) either (1) such ruling, judgment or order has been issued at the request of any of the Company Parties or Ares in contravention of any obligations set forth in this Agreement or (2) remains in effect for twenty (20) Business Days after such terminating Consenting Creditors transmit a written notice in accordance with Section ☒14.10 of this Agreement detailing any such issuance; notwithstanding the foregoing, this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement;

(s) the entry of an order by the Bankruptcy Court, or the filing of a motion or application by any Company Party seeking an order (without the prior written consent of the Required Consenting Creditors), (i) converting one or more of the Chapter 11 Cases of a Company Party to a case under chapter 7 of the Bankruptcy Code, (ii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in one or more of the Chapter 11 Cases of a Company Party, (iii) dismissing one or more of the Chapter 11 Cases of a Company Party, without the prior written consent of the Required Consenting Creditors (iv) terminating exclusivity under Section 1121 of the Bankruptcy Code, or (v) rejecting this Agreement;

(t) other than the Chapter 11 Cases, if any Company Party (i) voluntarily commences any case or files any petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, receivership, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect, except as contemplated by this Agreement, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any involuntary proceeding or petition described in the preceding

subsection (i), (iii) applies for or consents to the appointment of a receiver, administrator, administrative receiver, trustee, custodian, sequestrator, conservator or similar official with respect to any Company Party or for a substantial part of such Company Party's assets, (iv) makes a general assignment or arrangement for the benefit of creditors, or (v) takes any corporate action for the purpose of authorizing any of the foregoing;

(u) the commencement of an involuntary bankruptcy case against the Company Parties (or Affiliate thereof) under the Bankruptcy Code, if such involuntary case is not dismissed within 45 calendar days after the filing thereof, or if a court order grants the relief sought in such involuntary case;

(v) entry of a final order that grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any material asset that, to the extent such relief were granted, would have a material adverse effect on the consummation of the Restructuring Transactions;

(w) any of the Company Parties files or otherwise makes public any of the Definitive Documents (including any modification or amendments thereto) (i) in a form that is materially inconsistent with this Agreement and (ii) without the consent of the required parties in accordance with this Agreement, which occurrence remains uncured (to the extent curable) for two (2) Business Days after such terminating Consenting Creditor transmits a written notice in accordance with Section 14.10;

(x) any of the Company Parties (i) files any motion seeking to avoid, disallow, subordinate, or recharacterize any 2016 Term Loan Claims or 2017 Term Loan Claims, lien, or interest held by any Consenting Creditors arising under or relating to the 2016 Credit Agreement or the 2017 Credit Agreements or (ii) shall have supported any application, adversary proceeding, or cause of action referred to in the immediately preceding clause (i) filed by a third party, or consents to the standing of any such third party to bring such application, adversary proceeding, or cause of action;

(y) the failure to meet any of the Milestones, unless (i) such Milestone has been waived or extended in a manner consistent with this Agreement and (ii) such failure is the result of an act, omission or delay on the part of one or more of the Required Consenting Creditors exercising their termination rights with respect thereto under this Section 12.01(y) in violation of their obligations under this Agreement;

(z) the Bankruptcy Court enters an order denying confirmation of the Plan;

(aa) the Confirmation Order is reversed or vacated, and the Bankruptcy Court does not enter a revised Confirmation Order reasonably acceptable to the Required Consenting Creditors within five (5) Business Days;

(bb) any of the Company Parties withdraws the Plan or publicly announces its intention not to support the Restructuring Transactions or the Plan;

(cc) the Bankruptcy Court enters an order granting relief that is inconsistent with, or denies relief sought that is contemplated by, this Agreement or the Plan in any materially adverse respect to the Required Consenting Creditors;

(dd) the Company Parties exercise their right, consistent with their fiduciary duties, to not pursue any of the Restructuring Transactions or take any action in reliance with section 7.03(a) of this Agreement;

(ee) the Company Parties file, support, make a written proposal or counterproposal to any party relating to an Alternative Restructuring Proposal that was not approved by the Required Consenting Creditors;

(ff) the Company Parties terminate this Agreement with respect to themselves in accordance with Section 12.03 below;

(gg) Ares terminates this Agreement with respect to themselves in accordance with Section 12.02 below; and

(hh) Ares breaches materially its obligations under this Agreement or the 9019 Orders.

12.02. Ares Termination Events. This Agreement may be terminated by Ares with respect to itself by the delivery to the Company Parties and the Required Consenting Creditors of a written notice in accordance with Section 14.10 hereof upon the occurrence of the following events:

(a) the breach in any material respect by a Company Party or by one or more Consenting Creditors constituting the Required Consenting Creditors of any of covenants of such Company Party or such Consenting Creditors constituting the Required Consenting Creditors set forth in this Agreement, which breach remains uncured for ten (10) Business Days after Ares transmits a written notice in accordance with Section 14.10 of this Agreement detailing any such breach, which such breach could be reasonably expected to disproportionately and adversely affect Ares, as compared to the other Required Consenting Parties;

(b) any representation or warranty in this Agreement made by a Company Party shall have been untrue in any material respect when made or shall have become untrue in any material respect, which remains uncured for ten (10) Business Days after the Company Party discovers the untrue nature of the representation or warranty and such breach could be reasonably expected to disproportionately and adversely affect Ares, as compared to the other Required Consenting Parties;

(c) the Interim 9019 Order or Final 9019 Order, as applicable, is entered prior to, or not conditioned on, the Interim DIP Order or the Final DIP Order, as applicable;

(d) the Interim DIP Order or the Final DIP Order, as applicable, is entered prior to, or not conditioned on, the Interim 9019 Order or the Final 9019 Order, as applicable;

(e) the Interim DIP Order or the Interim 9019 Order is entered in a form not acceptable to Ares; *provided* that the forms of Interim DIP Order (which may be amended to ensure consistency with Section 7.01(o) hereof) and Interim 9019 Order attached to the Restructuring Term Sheet as Annex H and Annex I, respectively, are deemed to be acceptable to Ares;

(f) the Final DIP Order or the Final 9019 Order is entered in a form not acceptable to Ares; *provided* that waivers to section 506(c) of the Bankruptcy Code, section 552 of the Bankruptcy Code and the equitable doctrine of "marshaling" or any other similar doctrines in the Final DIP Order, as modified to ensure consistency with Section 7.01(o) hereof, is deemed acceptable to Ares;

(g) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling, judgment or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) either (1) such ruling, judgment or order has been issued at the request of any of the Company Parties or the Required Consenting Creditors in contravention of any obligations set forth in this Agreement or (2) remains in effect for twenty (20) Business Days after Ares transmits a written notice in accordance with Section ☒14.10 of this Agreement detailing any such issuance; notwithstanding the foregoing, this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement;

(h) the entry of an order by the Bankruptcy Court, or the filing of a motion or application by any Company Party seeking an order (without the prior written consent of Ares), (i) converting one or more of the Chapter 11 Cases of a Company Party to a case under chapter 7 of the Bankruptcy Code, (ii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in one or more of the Chapter 11 Cases of a Company Party (iii) dismissing one or more of the Chapter 11 Cases of a Company Party, without the prior written consent of Ares, (iv) terminating exclusivity under Section 1121 of the Bankruptcy Code, or (v) rejecting this Agreement;

(i) other than the Chapter 11 Cases, if any Company Party (i) voluntarily commences any case or files any petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, receivership, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect, except as contemplated by this Agreement, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any involuntary proceeding or petition described in the preceding subsection (i), (iii) applies for or consents to the appointment of a receiver, administrator,

administrative receiver, trustee, custodian, sequestrator, conservator or similar official with respect to any Company Party or for a substantial part of such Company Party's assets, (iv) makes a general assignment or arrangement for the benefit of creditors, or (v) takes any corporate action for the purpose of authorizing any of the foregoing;

(j) the commencement of an involuntary bankruptcy case against the Company Parties (or Affiliate thereof) under the Bankruptcy Code, if such involuntary case is not dismissed within 45 calendar days after the filing thereof, or if a court order grants the relief sought in such involuntary case;

(k) any of the Company Parties files or otherwise makes public any of the Definitive Documents (including any modification or amendments thereto) to which Ares has consent rights (i) in a form that is materially inconsistent with this Agreement and (ii) without the consent of Ares in accordance with this Agreement, which occurrence remains uncured (to the extent curable) for two (2) Business Days after Ares transmits a written notice in accordance with Section 14.10;

(l) (i) prior to the Settlement Effective Date, the failure to meet any Milestones and (ii) from and after the Settlement Effective Date, the failure to meet any Milestone that disproportionately and adversely affects Ares and has not been waived or approved by the Required Consenting Creditors and the Company Parties, as compared to the other Required Consenting Parties, in each case, (i) unless such Milestone has been waived or extended in a manner consistent with this Agreement and (ii) unless such failure is the result of an act, omission or delay on the part of Ares in violation of their obligations under this Agreement;

(m) the Bankruptcy Court enters an order denying confirmation of the Plan;

(n) the Confirmation Order is reversed or vacated, and the Bankruptcy Court does not enter a revised Confirmation Order that does not satisfy the consent requirements set forth in section 3.02 of this Agreement within five (5) Business Days;

(o) any of the Company Parties withdraws the Plan or publicly announces its intention not to support the Restructuring Transactions or the Plan;

(p) the Bankruptcy Court enters an order granting relief that is inconsistent with, or denies relief sought that is contemplated by, this Agreement or the Plan in any materially adverse respect to Ares;

(q) the Company Parties exercise their right, consistent with their fiduciary duties, to not pursue any of the Restructuring Transactions or take any action in reliance with section 7.03(a) of this Agreement;

(r) the Company Parties file, support, make a written proposal or counterproposal to any party relating to an Alternative Restructuring Proposal that was not approved by Ares;

(s) the Company Parties terminate this Agreement with respect to themselves in accordance with Section 12.03 below;

(t) the Required Consenting Creditors terminate this Agreement with respect to themselves in accordance with Section 12.01 above; and

(u) the Consenting Creditors constituting Required Consenting Creditors materially breach the obligations of the Consenting Creditors under this Agreement.

12.03. Company Party Termination Events. Any Company Party may terminate this Agreement with respect to the Company Parties upon prior written notice to the Consenting Creditors and Ares in accordance with Section 14.10 of this Agreement upon the occurrence of any of the following events:

(a) the breach in any material respect by Ares or by one or more Consenting Creditors constituting the Required Consenting Creditors of any of the covenants of Ares or such Consenting Creditors set forth in this Agreement that would have, or could reasonably be expected to have, an adverse effect on the Restructuring Transactions, which breach that remains uncured for ten (10) Business Days after such terminating Company Party transmits a written notice in accordance with Section 14.10 of this Agreement detailing any such breach;

(b) any representation or warranty in this Agreement made by Ares or one or more Consenting Creditors constituting Required Consenting Creditors shall have been untrue in any material respect when made or shall have become untrue in any material respect, which remains uncured for ten (10) Business Days after Ares or such Consenting Creditor discovers the untrue nature of the representation or warranty;

(c) the Governing Body of any Company Party determines, after consulting with counsel, (i) that continuing to pursue any of the Restructuring Transactions in the manner contemplated by this Agreement would be inconsistent with the exercise of its fiduciary duties or applicable Law or (ii) in the exercise of its fiduciary duties, to pursue an Alternative Restructuring Proposal;

(d) the Interim 9019 Order or Final 9019 Order, as applicable, is entered prior to, or not conditioned on, the Interim DIP Order or the Final DIP Order, as applicable;

(e) the Interim DIP Order or the Final DIP Order, as applicable, is entered prior to, or not conditioned on, the Interim 9019 Order or the Final 9019 Order, as applicable;

(f) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling, judgment or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) either (1) such ruling, judgment or order has been issued at the request of the Required Consenting Creditors or

Ares in contravention of any obligations set forth in this Agreement or (2) remains in effect for ten (10) Business Days after such terminating Consenting Creditors transmit a written notice in accordance with Section ☒14.10 of this Agreement detailing any such issuance; notwithstanding the foregoing, this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement;

(g) the Required Consenting Creditors terminate this Agreement with respect to themselves in accordance with Section 12.01 above;

(h) the Bankruptcy Court enters an order denying confirmation of the Plan;

(i) Ares terminates this Agreement with respect to themselves in accordance with Section 12.02 above.

12.04. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among all of the following: (a) the Required Consenting Creditors, (b) each Company Party, and (c) Ares.

12.05. Automatic Termination. This Agreement shall terminate automatically without any further required action or notice immediately after the Plan Effective Date.

12.06. Effect of Termination. After the occurrence of a Termination Date as to a Party, this Agreement shall be of no further force and effect as to such Party and each Party subject to such termination shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Claims or Cause of Action. Upon the occurrence of a Termination Date prior to the Confirmation Order being entered by a Bankruptcy Court, all Parties agree that any and all ballots tendered by the Parties subject to such termination before a Termination Date shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions and this Agreement or otherwise. Notwithstanding the foregoing, any Consenting Creditor withdrawing or changing its vote pursuant to this Section 12.06 shall promptly provide written notice of such withdrawal or change to each other Party to this Agreement and, if such withdrawal or change occurs on or after the Petition Date, file notice of such withdrawal or change with the Bankruptcy Court. Nothing in this Agreement shall be construed as prohibiting a Company Party, Ares, or any of the Consenting Creditors from contesting whether any such termination is in accordance with the terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Date. Except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict (a) any right of any Company Party or the ability of any Company Party to protect and reserve its rights

(including rights under this Agreement), remedies, and interests, including its claims against any Consenting Creditor or Ares, and (b) any right of any Consenting Creditor or Ares, or the ability of any Consenting Creditor or Ares, to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Company Party or Consenting Creditor. No purported termination of this Agreement shall be effective under this Section 12.06 or otherwise if the Party seeking to terminate this Agreement is in material breach of this Agreement, except a termination pursuant to Sections 12.03(c) or 12.04. Nothing in this Section 12.06 shall restrict any Company Party's right to terminate this Agreement in accordance with Section 12.03(c).

Section 13. Amendments and Waivers.

(a) This Agreement, may not be modified, amended, or supplemented, and no condition or requirement of this Agreement may be waived, in any manner except in accordance with this Section 13.

(b) This Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, (i) in writing signed by each Company Party and the Required Consenting Parties or (ii) confirmed by email by counsel to the Company Parties and the Ad Hoc Group Advisors representing that it is acting with the authority of the Required Consenting Creditors; *provided* that (1) this Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, if such modification, amendment, supplement or waiver adversely and disproportionately affects Ares, as compared to the other Required Consenting Parties, solely with the written consent of Ares, the Company Parties and the Required Consenting Creditors; (2) this Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, if such modification, amendment, supplement or waiver adversely and disproportionately affects the economic recoveries of the Deficiency/Unsecured Debt Claims solely with the written consent of the Company Parties, the Required Consenting Creditors and the Required Consenting Deficiency Creditors; and (3) any changes to the consent or termination rights of the Company Parties, the Required Consenting Creditors, the Required Consenting Parties, the Required Backstop Parties, the Required Consenting Deficiency Creditors, the Crossover Ad Hoc Group or Ares shall require the consent of each affected Party. Notwithstanding the foregoing, if the proposed modification, amendment, waiver, or supplement has a material, disproportionate, and adverse effect on any of the Company Claims held by a Consenting Creditor (as compared to similarly situated Company Claims), then the consent of each such affected Consenting Creditor shall also be required to effectuate such modification, amendment, waiver, or supplement. All modifications, amendments, waivers or supplements to this Agreement shall be provided to the parties specified in Section 14.10.

(c) Any proposed modification, amendment, waiver, or supplement that does not comply with this Section 13 shall be ineffective and void *ab initio*.

(d) The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall operate as a waiver of any such right, power, or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power, or remedy by such Party preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power, or remedy. All remedies under this Agreement are cumulative and are not exclusive of any other remedies provided by Law.

Section 14. ***Miscellaneous.***

14.01. Acknowledgements. Notwithstanding any other provision of this Agreement, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities Laws, provisions of the Bankruptcy Code, and/or other applicable Law.

14.02. Exhibits Incorporated by Reference; Conflicts. Each of the exhibits, annexes, signatures pages, and schedules attached to this Agreement is expressly incorporated and made a part of this Agreement, and all references to this Agreement shall include such exhibits, annexes, and schedules. In the event of any inconsistency between this Agreement (without reference to the exhibits, annexes, and schedules attached to this Agreement) and the exhibits, annexes, and schedules attached to this Agreement, this Agreement (without reference to the exhibits, annexes, and schedules thereto) shall govern, *provided*, that in the event of any inconsistency between this Agreement and the Restructuring Term Sheet, the Restructuring Term Sheet shall govern until such time as the Plan has been confirmed, at which time, the terms and conditions set forth in the Plan, to the extent intended to supersede the Restructuring Term Sheet, shall govern.

14.03. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters specified in this Agreement, as may be reasonably appropriate or necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Restructuring Transactions, as applicable.

14.04. Complete Agreement. Except as otherwise explicitly provided in this Agreement, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, oral or written, among the Parties with respect thereto, including without limitation the Original Restructuring Support Agreement, other than any confidentiality agreement. The Parties acknowledge and agree that they are not relying on any representations or warranties other than as set forth in this Agreement.

14.05. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE CHOSEN STATE, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES. Each Party to this Agreement agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in the Chosen Court. Solely in connection with claims arising under this Agreement, each Party to this Agreement: (a) irrevocably submits to the exclusive jurisdiction of the Chosen Court; (b) waives any objection to laying venue in any such action or proceeding in the Chosen Court; and (c) waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over any Party to this Agreement.

14.06. Trial by Jury Waiver. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

14.07. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each Person executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

14.08. Rules of Construction. This Agreement is the product of negotiations among the Company Parties and the Consenting Creditors, and in the enforcement or interpretation of this Agreement, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion of this Agreement, shall not be effective in regard to the interpretation of this Agreement. The Company Parties and the Consenting Creditors were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

14.09. Successors and Assigns; Third Parties. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third-party beneficiaries under this Agreement, and, except as set forth in Section 8 and this Section 14.09, the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other Entity. Notwithstanding anything to the contrary in this Agreement, Ares shall (a) be entitled to, upon prior written notice, assign any of its rights or obligations under this Agreement to any Affiliate of Ares who (x) takes assignment of any of the Ares Interests (as defined in the Elk Hills Settlement Agreement) under the Elk Hills Settlement Agreement in compliance with the terms of the Elk Hills Settlement Agreement and (y) has agreed to be bound by the terms of this Agreement, the Elk Hills Settlement Agreement and the LLC

Agreement (as defined in the Elk Hills Settlement Agreement) as amended by the LLC Agreement Amendment (as defined in the Elk Hills Settlement Agreement), in each case solely to the extent such assignment was in accordance with the Elk Hills Settlement Agreement and (b) promptly notify CRC, and cause such assignee to promptly transfer back the rights and obligations under this Agreement to Ares, if such assignee is required to transfer the Ares Interests (as defined in the Elk Hills Settlement Agreement) back to Ares under the Elk Hills Settlement Agreement. Notice to, or consent from, Ares or its permitted assignees shall be deemed to be notice to, or consent from, Ares and its permitted assignees.

14.10. Notices. All notices hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to a Company Party, to:

California Resources Corporation
27200 Tourney Road, Suite 200
Santa Clarita, California 91355
Attention: Michael L. Preston
E-mail address: Michael.preston@crc.com

with copies to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 20004
Attention: Alison S. Ressler, Andrew G. Dietderich, and James L. Bromley
E-mail address: resslera@sullcrom.com, dietdericha@sullcrom.com, bromleyj@sullcrom

(b) if to a Consenting 2016 Term Loan Lenders and the Consenting 2017 Term Loan Lenders, to:

Davis Polk & Wardwell LLP
450 Lexington Avenue,
New York, New York 10017
Attention.: Damian S. Schaible, Angela M. Libby, and Jonah A. Peppiatt

(c) if to a Consenting Second Lien Noteholder, to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attention: Andrew N. Rosenberg, Elizabeth R. McColm and Alexander Woolverton
E-mail address: arosenberg@paulweiss.com, emccolm@paulweiss.com, awoolverton@paulweiss.com

(d) if to Ares, to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Steven N. Serajeddini
E-mail address: steven.serajeddini@kirkland.com

and

Kirkland & Ellis LLP
609 Main Street
Houston, TX 77002
Attention: John D. Pitts
E-mail address: john.pitts@kirkland.com

Any notice given by delivery, mail, or courier shall be effective when received.

14.11. Independent Due Diligence and Decision Making. Each Consenting Creditor confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions, and prospects of the Company Parties. Each Consenting Creditor acknowledges and agrees that it is not relying on any representations or warranties other than as set forth in this Agreement.

14.12. Enforceability of Agreement. Each of the Parties to the extent enforceable waives any right to assert that the exercise of termination rights under this Agreement is subject to the automatic stay provisions of the Bankruptcy Code, and expressly stipulates and consents hereunder to the prospective modification of the automatic stay provisions of the Bankruptcy Code for purposes of exercising termination rights under this Agreement, to the extent the Bankruptcy Court determines that such relief is required.

14.13. Admissibility. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating to this Agreement shall not be

admissible into evidence in any proceeding other than a proceeding to enforce its terms or the payment of damages to which a Party may be entitled under this Agreement.

14.14. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

14.15. Several, Not Joint, Claims. Except where otherwise specified, the agreements, representations, warranties, and obligations of the Parties under this Agreement are, in all respects, several and not joint.

14.16. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

14.17. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

14.18. Capacities of Consenting Creditors. Each Consenting Creditor has entered into this agreement on account of all Company Claims that it holds (directly or through discretionary accounts that it manages or advises) and, except where otherwise specified in this Agreement, shall take or refrain from taking all actions that it is obligated to take or refrain from taking under this Agreement with respect to all such Company Claims.

14.19. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to, as applicable, the Company Parties, Ares, and the Required Consenting Creditors, submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

14.20. Fees and Expenses. Regardless of whether the Restructuring Transactions are or have been consummated, and subject to the terms of the DIP Order, the Company Parties shall promptly pay in cash all Consenting Parties Fees and Expenses; *provided*, *however*, that concurrently with the Agreement Effective Date, the Company Parties shall pay all Consenting Parties Fees and Expenses incurred at any time prior to the Agreement Effective Date not previously paid by the

Company Parties; *provided further* that no success, transaction or similar fees shall be paid except to the extent set forth in written agreements approved by the Company.

14.21. Rights of Initial Consenting Creditors. No right to participate in the Backstop Commitments or other similar rights shall be provided to any Holder of any Class of Company Claims (other than 2017 Term Loan Claims) that is not a Consenting Creditor as of the Agreement Effective Date unless at least an equal *pro rata* opportunity to participate has been provided to the Consenting Creditors and their Related Funds who hold Company Claims in such Class as of the Agreement Effective Date.

14.22. Agent/Trustee Direction. The Consenting Creditors, to the extent constituting the holders of a majority of the 2016 Term Loan, the holders of a majority of the Second Lien Notes, or the holders of a majority of the Unsecured Notes, as applicable, hereby instruct and direct each of the 2016 Term Loan Agent, the Second Lien Notes Trustee and the Unsecured Notes Trustee, as applicable, to comply with this Agreement to the extent specified herein and to take the other actions (or refrain from acting), in each case, as expressly contemplated hereby. This Agreement, and specifically this Section 14.22, shall constitute, and the Consenting Creditors hereby acknowledge and agree that the same constitutes, an instruction and direction to each of the 2016 Term Loan Agent, the Second Lien Notes Trustee, and the Unsecured Notes Trustee not to respond to any questionnaire for, become a member of or support the formation of any committee of unsecured creditors in the Chapter 11 Cases for so long as this Agreement is in effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

[*****]

Exhibit A

Restructuring Term Sheet

California Resources Corporation

Restructuring Term Sheet

This term sheet (this "Term Sheet") sets forth certain material terms of a proposed restructuring (the "Restructuring") of California Resources Corporation ("CRC") and the other Company Parties listed on Annex A hereto (collectively, the "Company"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the restructuring support agreement to which this Term Sheet is attached (together with all exhibits and supplements attached thereto, including this Term Sheet, the "RSA").

This Term Sheet does not include a description of all the terms, conditions, and other provisions that are to be contained in the definitive documentation governing the Restructuring, which remain subject to negotiation and completion in accordance with the RSA and applicable bankruptcy law. The documents executed to effectuate the Restructuring will not contain any material terms or conditions that are inconsistent in any material respect with this Term Sheet or the RSA.

This Term Sheet is neither an offer to buy or sell any security nor a solicitation of acceptances of a chapter 11 plan within the meaning of Section 1125 of the Bankruptcy Code. Any such offer or solicitation will comply with all applicable securities laws and provisions of the Bankruptcy Code. Nothing contained in this Term Sheet shall be an admission of fact or liability or, until the occurrence of the Plan Effective Date in the RSA, deemed binding on any of the parties hereto. Nothing herein constitutes an agreement, understanding or commitment to effectuate or implement a restructuring on the terms described herein or on any other terms.

OVERVIEW	
Implementation	The Restructuring will be accomplished through the Chapter 11 Cases commenced in the Bankruptcy Court to implement the chapter 11 plan of reorganization (the "Plan") described herein and otherwise consistent with the RSA. The RSA will be executed by (a) the Company, (b) the holders of at least 84% of the aggregate principal amount of 2017 Term Loans, (c) the holders of at least 66.7% of the aggregate principal amount of a combined class of claims including the Stipulated 2017 Deficiency Claim (as defined herein) as well as claims arising under the 2016 Term Loans, the Second Lien Notes and the Unsecured Notes (the claims described in this clause (c), collectively, the "Deficiency/Unsecured Debt Claims"), (d) Ares and (e) Elk Hills Power. Pursuant to the RSA, and subject to the terms and conditions thereof, the parties thereto have agreed to support the transactions contemplated herein and therein. Each Consenting Creditor shall be required to execute the RSA with respect to all of its holdings under the 2017 Term Loan, the 2016 Term

	Loan, the Second Lien Notes and the Unsecured Notes. Ares shall be required to execute the RSA with respect to all of its claims against and interests in Elk Hills Power and any Debtor.
DIP Facilities/Use of Cash Collateral	The "DIP Facilities" shall mean (a) a super-priority debtor in possession credit facility to be provided by the RBL Lenders in the aggregate principal amount (inclusive of issued and outstanding letters of credit) of $483,010,655.62 (the "Senior DIP Facility") on the terms and conditions set forth in the Senior DIP Commitment Letter, related senior term sheet and Senior DIP Credit Agreement and (b) a super-priority debtor in possession credit facility junior to the Senior DIP Facility to be provided by certain holders of the 2017 Term Loans in the aggregate principal amount of $650 million (the "Junior DIP Facility") on the terms and conditions set forth in the Junior DIP Term Sheet attached as Annex B hereto and the junior debtor-in-possession financing credit agreement. In addition to the other fees described on Annex B hereto, the Junior DIP Facility and the DIP Order shall provide for an exit fee (the "Junior DIP Exit Fee") to be paid to each Junior DIP Lender (as defined in the Junior DIP Term Sheet) in an amount equal to 2.5% of the aggregate principal amount of such Junior DIP Lender's allocated share of the Junior DIP Commitments in effect on the closing date of the Junior DIP Facility (the "Junior DIP Facility Closing Date") (prior to the funding of the loans thereunder), which Junior DIP Exit Fee shall be payable solely on the Plan Effective Date in New Common Stock at a price per share corresponding to the Set-Up Equity Value; *provided* that, in no event shall the Junior DIP Exit Fee prejudice the rights of Ares hereunder or otherwise under the Restructuring Support Agreement, including, for the avoidance of doubt, the equity value of the Eligible Stock. The Junior DIP Exit Fee shall be deemed fully earned on the Junior DIP Facility Closing Date but shall not be payable in any circumstances other than on the Plan Effective Date. The material terms of the DIP Facilities and any related order approving the DIP Facilities, adequate protection, the use of cash collateral or related matters shall be consistent with Annex B and otherwise consistent with the RSA and this Term Sheet, including the consent rights set forth in the RSA; *provided* that the Interim DIP Order shall be in the form attached hereto as Annex H. Any additional provisions in such order that are not required by the intercreditor agreements shall be in form and substance reasonably acceptable to the Company, the Required Consenting Parties and the required lenders under the Senior DIP Facility.

[1] NTD: The Junior DIP Exit Fee shall be separately transferable from the DIP Loans.

	The proceeds of the DIP Facilities shall be used to (i) repay the Prepetition RBL Claims and (ii) fund the Chapter 11 Cases in accordance with the DIP Budget (as defined in the Junior DIP Term Sheet).
First Lien Exit Facility	The Company and the Required Consenting Parties shall work together to obtain an exit facility (the "First Lien Exit Facility") on terms consistent with the Exit Facility Terms. If the First Lien Exit Facility cannot be agreed by the date that is 30 days before the first scheduled hearing for confirmation of the Plan, the Company shall have the right to accept any First Lien Exit Facility reasonably acceptable to the Required Consenting Creditors so long as such First Lien Exit Facility (a) has minimum opening liquidity at closing of no less than $300 million, (b) is arranged, led and agented by one or more traditional commercial banks and up to 25% may be syndicated to non-bank investors, (c) has a final maturity on or after the third anniversary of issuance, (d) has an interest margin not exceeding 4% per annum or such other amount reasonably acceptable to the Required Backstop Parties and (e) provides for repayment without premium or penalty. For the avoidance of doubt, the documentation under the First Lien Exit Facility shall not restrict the payment of regularly scheduled obligations under the Elk Hills Power Agreements.
Second Lien Exit Facility	On the Plan Effective Date, certain members of the Ad Hoc Group and Ares (the "Second Lien Exit Lenders") shall provide a term loan facility (the "Second Lien Exit Facility") consisting of up to $200.0 million of new term loans. The Company may reduce the amount of the Second Lien Exit Facility by $10 million or increments in excess thereof at any time prior to the Emergence Date (as defined in the Second Lien Exit Facility Term Sheet). The Second Lien Exit Facility shall contain terms and conditions set forth in the term sheet attached hereto as Annex C (the "Second Lien Exit Facility Term Sheet") and as otherwise agreed with the Required Second Lien Exit Lenders and the Company, and shall otherwise satisfy the consent rights set forth in the RSA.
New Money Equity Rights Offering	The Company will distribute subscription rights (the "Subscription Rights") to purchase the new common stock in Reorganized CRC (the "New Common Stock") for cash to creditors pursuant to the Plan. Subscription Rights will allow the holders thereof, on a record date to be determined, to purchase New Common Stock at a 35% discount to Set-Up Equity Value. The New Common Stock offered in the Equity Rights Offering shall dilute the New Common Stock issued under the Plan on account of any prepetition claims (which New Common Stock for the avoidance of

	doubt shall be subject to dilution for the Junior DIP Exit Fee and the MIP). The offering (the "Equity Rights Offering") will be sized to raise $450 million of gross proceeds to be funded on the Plan Effective Date. The proceeds of the Equity Rights Offering shall be applied by the Company to repay the DIP Facilities and fund working capital. The Equity Rights Offering shall consist of two tranches: Tranche A shall be offered to holders of 2017 Term Loans with respect to their Stipulated 2017 Secured Claims and shall be sized to raise $405 million (the "Tranche A Equity Rights Offering") and Tranche B shall be offered to holders of Deficiency/Unsecured Debt Claims and shall be sized to raise $45 million (the "Tranche B Equity Rights Offering"). The Equity Rights Offering shall be offered, implemented or conducted by the Company pursuant to the terms of the RSA and otherwise on the terms (including procedures for the implementation thereof) set forth in the term sheet attached hereto as Annex D (the "Backstop Commitment Term Sheet"). Participation in the Equity Rights Offering may be limited by securities laws to Accredited Investors that complete a customary accredited investor questionnaire. The structure, timing and solicitation process for the Equity Rights Offering shall be consistent with the Backstop Commitment Term Sheet and otherwise satisfy the consent rights set forth in the RSA.
Set-Up Equity Value	The Plan will allocate New Common Stock upon exercise of the Subscription Rights based on a fixed "Set-Up Equity Value" of $1.65 billion; *provided* that, if during the five trading days preceding the business day prior to the approval of the Disclosure Statement by the Court, the average closing price of the ICE Brent strip price for the period of December 2020 to November 2021 (to be determined by taking the arithmetic average of the 12 monthly contracts available for Brent Crude (ICE) as provided by Bloomberg, L.P. utilizing the ticker symbol COA COMDTY during the period from December 2020 to November 2021) is less than $40.00/Bbl, the Set-Up Equity Value for the Subscription Rights will be $1.3 billion. Although the RSA will include certain agreed conditions to the effectiveness of the Plan, changes in the operating performance of the Company during the Chapter 11 Cases or variance in the amount of net debt outstanding under the First Lien Exit Facility shall not alter the allocation of Set-Up Equity Value in the Plan or the exercise price of the Subscription Rights. The Set-Up Equity Value is intended only as a contractual term for the limited purpose of determining the exercise price of the Subscription Rights and is not a valuation. No party to the RSA shall be required to

	take a position with respect to valuation except as necessary to fulfill their respective obligations under the RSA and to consummate the Plan.
Backstop Commitments	Holders of 2017 Term Loan Claims or Deficiency/Unsecured Debt Claims (or their Related Funds) party to the Backstop Commitment Agreement (each holder so designated under the BCA, a "Backstop Party") will subscribe for (a) the portion of New Common Stock initially allocated to such Backstop Party or its affiliates in the Plan, (b) its Minimum Allocation (defined below) and (c) its "Backstop Commitment Percentage" of the New Common Stock offered in the Equity Rights Offering that is not initially subscribed for in the Equity Rights Offering. The Backstop Commitment Agreement shall contain the terms and conditions set forth in the Backstop Commitment Term Sheet attached hereto as Annex D.
Backstop Compensation	In consideration for the Backstop Parties, or their affiliate designees, agreeing to make the Backstop Commitment, 38.75% of the total Equity Rights Offering (constituting 37.5% of the Tranche A Equity Rights Offering and 50% of the Tranche B Equity Rights Offering) will be reserved solely for the Backstop Parties of the applicable classes and allocated as set forth in the Backstop Commitment Schedule (as defined in the Backstop Commitment Term Sheet) (the "Minimum Allocation"). The Subscription Rights for the remaining 62.5% of the Tranche A Equity Rights Offering and the remaining 50% of the Tranche B Equity Rights Offering (respectively, the "Tranche A Remaining Subscription Rights" and the "Tranche B Remaining Subscription Rights") will be distributed to creditors (including the Backstop Parties and their Related Funds, as applicable) in accordance with their holdings in the applicable classes under the Plan. In further consideration for the Backstop Parties, or their affiliate designees, agreeing to make the Backstop Commitment, the Backstop Parties, or their affiliate designees, shall be entitled to a premium in an aggregate amount equal to 10% of the $450 million Rights Offering Amount payable to the holders of the Backstop Commitments at such time in New Common Stock at the price per share in the Equity Rights Offering on the terms and conditions set forth in the Backstop Commitment Term Sheet attached hereto as Annex D (the "Backstop Commitment Premium"). The Backstop Commitment Schedule shall identify each Backstop Party, its applicable Backstop Commitment Percentage and Minimum Allocation and the portion of the Backstop Commitment Premium to which such Backstop Party is entitled in consideration of its Backstop Commitment.

Backstop Allocations	The Backstop Commitment Schedule will provide that the Backstop Commitments shall be allocated as follows: (a) 60% to Consenting Creditors in the Ad Hoc Group who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the amount of 2017 Stipulated Secured Claims held thereby; and (b) 40% to Consenting Creditors who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the amount of Deficiency/Unsecured Debt Claims held thereby. The Backstop Commitment Schedule will provide that the Backstop Commitment Premium shall be allocated as follows: (a) 60% to Consenting Creditors in the Ad Hoc Group who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the amount of 2017 Stipulated Secured Claims held thereby; and (b) 40% to Consenting Creditors who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the amount of Deficiency/Unsecured Debt Claims held thereby, but without giving effect to any Stipulated 2017 Deficiency Claims held thereby. The Backstop Commitment Schedule will provide that the Minimum Allocation shall be structured as follows: (a) 37.5% of the Tranche A Equity Rights Offering shall be reserved for Consenting Creditors in the Ad Hoc Group who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the amount of 2017 Stipulated Secured Claims held thereby; and (b) 50% of the Tranche B Equity Rights Offering shall be reserved for Consenting Creditors who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the amount of Deficiency/Unsecured Debt Claims held thereby. The Backstop Commitment Schedule will provide that the Break Premium (as defined in the Backstop Commitment Term Sheet) shall be allocated as follows: (a) 87.1% to Consenting Creditors in the Ad Hoc Group who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the

	commitments thereof to purchase their *pro rata* share of the Tranche A Minimum Allocation; and (b) 12.9% to Consenting Creditors who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the commitments thereof to purchase their *pro rata* share of the Tranche B Minimum Allocation. The Backstop Commitment Schedule will provide for an allocation adjustment credit in the aggregate amount of $3,890,604.52 to Consenting Creditors who are signatories to the BCA on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the amount of Deficiency/Unsecured Debt Claims held thereby, but without giving effect to any Stipulated 2017 Deficiency Claims held thereby, and which may be applied by such Consenting Creditors to pay a portion of the subscription price for their Minimum Allocation. To the extent of any discrepancy between the foregoing allocations description and the allocations set forth on the Backstop Commitment Schedule, the allocations set forth on the Backstop Commitment Schedule shall control.
New Common Stock	On the Plan Effective Date, Reorganized CRC will issue the New Common Stock (a) to creditors on account of claims as provided in the Plan, (b) to creditors and Backstop Parties in connection with the Equity Rights Offering and (c) to Backstop Parties as payment of the Backstop Commitment Premium. Reorganized CRC will list the New Common Stock on the New York Stock Exchange, unless the Company and at least 75% of the Required Consenting Creditors agree otherwise.
ELK HILLS SETTLEMENT	
Elk Hills Settlement Agreement	The Company, California Resources Elk Hills, LLC ("CREH"), Elk Hills Power, LLC ("Elk Hills Power") and Ares shall enter into a Settlement and Assumption Agreement pursuant to Bankruptcy Rule 9019 on or prior to the Petition Date (the "Elk Hills Settlement Agreement"). The Debtors shall file a motion (the "9019 Motion") for entry of orders (the "9019 Orders") approving the Elk Hills Settlement Agreement, in form and substance reasonably acceptable to the Required Consenting Creditors and Ares no later than five days after the Petition Date and seek a prompt hearing for approval. All Consenting Parties shall support, and not object to, the approval of the Elk Hills Settlement Agreement and the performance by the Company of its obligations thereunder.

	The obligations of the Company and Ares under the Elk Hills Settlement Agreement shall be independent of their obligations under the RSA, and the Elk Hills Settlement Agreement shall survive any termination of the RSA following the Settlement Effective Date.
After Interim Approval	The Company will seek interim approval of the Elk Hills Settlement Agreement through the Interim 9019 Order contemporaneously with the Interim DIP Order. During the period from and after interim approval unless there is a termination of the Elk Hills Settlement Agreement prior to final approval of the Junior DIP and final approval of the Elk Hills Settlement Agreement: (a) Each of the Company, Elk Hills Power and Ares shall continue to perform all of their obligations under the existing Elk Hills Power Agreements in the ordinary course of business as if the Chapter 11 Cases had not been commenced, except as provided in the Elk Hills Settlement Agreement. (b) Elk Hills Power shall pay (i) cash distributions on the Class B Preferred Units to Ares at a rate per annum of 9.5%, calculated on a liquidation preference of $835,131,031 (as may be increased for any unpaid cash distributions after the date of the Elk Hills Settlement Agreement) and consistent with historical practices, and (ii) cash distributions on account of its Class A Common Units and Class C Common Units and consistent with historical practices in each of cases (i) and (ii) at the times and in the manner contemplated by the Elk Hills Power Agreements; and (c) neither the Company nor any Company Party shall (i) develop, promote or otherwise pursue the "bypass plan" involving the LTS-1 and LTS-2 gas processing plants and the 35R Cogen facility located in Kern County, California (the "Legacy System"), supplemental grid power purchases or a solar generation facility intended to support the Legacy System, (ii) commence any proceeding against Elk Hills Power or Ares or any of its Affiliates relating to any transfer or conveyance of assets by CRC or CREH to Elk Hills Power, including but not limited to claims for fraudulent conveyance or otherwise to avoid such transfers or conveyances, (iii) commence any proceeding to obtain control or ownership of the assets of Elk Hills Power, including but not limited to claims for recharacterization or substantive consolidation or (iv) take any act outside the ordinary course of business, including filing any motion, that is not contemplated by the Settlement Agreement and adverse to Elk Hills Power in any material respect, including but not limited to any rejection of any Elk Hills Power Agreement.

After Final Approval	The Company will seek entry of the Final 9019 Order contemporaneously with entry of the Final DIP Order. Upon final approval of the Elk Hills Settlement Agreement, on the Settlement Effective Date (defined below): (a) the covenants described above applicable after interim approval shall continue to apply for the duration of the Chapter 11 Cases; (b) the liquidation preference for the Class B Preferred Units shall be set to $835,131,031 (as may be increased for any unpaid cash distributions after the date of the Elk Hills Settlement Agreement) the distribution rate for the Class B Preferred Units shall be set permanently to 9.5% per annum, and the Class B Preferred Units shall be made redeemable by the Company at any time, without premium or penalty, for a redemption price equal to the liquidation preference plus accrued and unpaid distributions through the date of redemption; (c) the Company Parties, the Consenting Creditors and Ares and their respective related persons shall have the benefit of customary mutual releases of all past and present claims and causes of action relating to Elk Hills Power, in each case other than as set forth in the Elk Hills Settlement Agreement; (d) Subject only to receipt of any necessary regulatory approvals, which the applicable parties will use reasonable best efforts to promptly obtain, and the earlier of the Plan Effective Date and exercise of the Conversion Right, CREH or its applicable affiliate shall convey to Elk Hills Power its low temperature separation gas plants, known as LTS-1 and LTS-2, any and all interests in real property underlying the gas plants known as CGP-1 and CGP-2 and the Elk Hills Power Plant (collectively, the "Subject Assets");[2] (e) the Company shall be granted the Conversion Right described below; and (f) the Company shall assume (i) the LLC Agreement, dated as of February 7, 2018, as amended to give effect to the modifications agreed in the Elk Hills Settlement Agreement, (ii) the Commercial Agreement, dated as of February 7, 2018, between Elk Hills Power and CREH, (iii) the Master Services Agreement, dated as of February 7, 2018, by and between Elk Hills Power and CREH, (iv) the Gas Sales Agreement, dated as of July 30, 2014, as amended December 1, 2014 and February 7, 2018,

[2] In lieu of the contribution of real property underlying the Elk Hills assets, CREH or its applicable affiliate may enter into a long-term lease with Elk Hills Power on nominal economic terms that commences at the same time the LTS-1 and LTS-2 contribution would have otherwise occurred.

	between Elk Hills Power and CRC Marketing, Inc. and (v) the Employee Matters Agreement, dated as of February 7, 2018, between Elk Hills Power and the Company, (vi) the amendment to the Ground Lease, dated as of February 7, 2018, (vii) the amendment to the Easement Agreement, dated as of February 6, 2018 and (viii) any other agreements entered into in connection with the transactions contemplated by such agreements. The Settlement Agreement, the Final 9019 Order and the Final DIP Order shall only become effective upon agreement by Ares and the Required Consenting Creditors on the forms of those Definitive Documents set forth in Section 3.02(a) of the RSA that are required to be agreed at such time thereunder.
Conversion Right	At any time on and after the Settlement Effective Date, the Company will have the right (the "Conversion Right") to acquire all but not less than all of the Class B Preferred Units, Class A Common Units and Class C Common Units in Elk Hills Power not held by the Company (the "Ares Interests") in exchange for the Eligible Notes, the Eligible Stock and the Work Fee (each as defined below). The Company shall exercise its Conversion Right on the Plan Effective Date. The Company also may exercise its Conversion Right after termination of the RSA solely in connection with the effectiveness of an alternative chapter 11 plan of reorganization of the Company confirmed by the Bankruptcy Court that (a) provides for the issuance of the Eligible Notes and Eligible Stock and (b) to the extent an alternative chapter 11 plan of reorganization directly or indirectly disproportionately and adversely affects Ares, as compared to the other Required Consenting Parties, is otherwise reasonably acceptable to Ares. For the avoidance of doubt, the Company may not exercise the Conversion Right unless Ares is paid the Work Fee and issued Eligible Notes and Eligible Stock that conform with parameters set forth below. Ares will have a reasonable opportunity to review and comment on all documentation related to the Eligible Notes and Eligible Stock. Upon consummation of the Conversion Right, Elk Hills Power shall become a wholly-owned subsidiary of the Company and the existing arrangements between the Company and Elk Hills Power shall terminate. The Conversion Right is further conditioned on Ares' receipt of an officer's certificate regarding FERC matters, as further described in the Elk Hills Settlement Agreement.
Eligible Notes	"Eligible Notes" means one instrument meeting the following requirements: (a) secured notes issued by Elk Hills Power or a successor holding its current facilities and the LTS Plants ("Issuer") and guaranteed on an unsecured basis by (i) an intermediate special purpose holding

	company that owns 100% of the equity interests in the Issuer ("Intermediate HoldCo") and (ii) the publicly-listed parent of the reorganized Company ("Parent"); (b) an interest rate of 6.0% per annum through the fourth anniversary of issuance, increasing to 7.0% per annum after the fourth anniversary of issuance and to 8.0% per annum after the fifth anniversary of issuance; (c) $300 million in principal amount with a seven year maturity and no required scheduled amortization payments; (d) a first-priority security interest in (i) the current facilities of Elk Hills Power and the LTS Plants and any current assets of the Issuer necessary or appropriate for their operation and ownership (as reasonably determined by Ares and the Company), (ii) any third party offtake contracts for power generated by Elk Hills Power, and (iii) all of the equity of the Issuer held by Intermediate HoldCo (clauses (i), (ii) and (iii), collectively with the proceeds thereof, "Primary Collateral") and (iv) all other assets of Issuer, in each case subject to customary permitted liens to be agreed; (e) (i) customary covenants that prohibit the Issuer from incurring any other indebtedness, selling or encumbering Primary Collateral, or conducting unrelated businesses, etc. and (ii) a passive holding company covenant applicable to Intermediate Holdco, in each of cases (i) and (ii) subject to customary exceptions to be agreed; *provided* that the Issuer (A) shall not be required to preserve or retain any assets in the Issuer other than Primary Collateral and (B) shall not be limited in any manner with respect to transactions between the Issuer and the Company with respect to operations, cash management and the commercial terms of use of the Primary Collateral by the Company, in each case, other than customary remedial provisions applicable if a Default or Event of Default (as defined under the Eligible Notes) has occurred and is continuing (it being understood that nothing in this proviso is intended to override the provision of collateral in clause (d) above); (f) prepayment at any time without premium or penalty; and (g) issued pursuant to an indenture governed by New York law on terms and conditions otherwise reasonably acceptable to Ares and the Required Consenting Creditors; *provided* that the indenture shall have no financial maintenance covenants, and no other covenants applicable to CRC (as opposed to Elk Hills Power and its subsidiaries) other than those customary for investment grade corporate issuers.

	The terms of the Eligible Notes shall be agreed between the Company, Ares and the Required Consenting Creditors prior to the entry of the Final 9019 Order.
Eligible Stock	"Eligible Stock" means either (a) 20.793% of the total amount of New Common Stock issued pursuant to the Plan subject to dilution by the MIP (but not subject to dilution by the Equity Rights Offering, the Junior DIP Exit Fee, or the Backstop Commitment Premium) or (b) Other Eligible Stock. "Other Eligible Stock" means voting common stock of a public parent Delaware corporation ("Issuer") directly or indirectly owning substantially all of the current assets and business of the Company that meets the following requirements as of the effective date of the applicable plan of reorganization (except where indicated): (a) the stock is of a series of common stock (i) listed on the New York Stock Exchange or another exchange reasonably acceptable to Ares and the Required Consenting Creditors, (ii) that is the only series of outstanding equity securities of the Issuer and the only series of outstanding publicly-listed equity securities of the Issuer's corporate group and (iii) of which no more than 40% is beneficially owned by any person or group within the meaning of Rule 13d-5(b); (b) the stock is freely tradable subject to applicable securities laws; (c) the stock constitutes not less than 20.793% of the voting common stock of the Issuer (subject to dilution by the MIP); (d) the stock is issued by an Issuer with no consolidated indebtedness for borrowed money (or similar liabilities) other than (i) up to $600 million of indebtedness for borrowed money or preferred stock (in each case, for the avoidance of doubt, excluding if applicable any Eligible Notes) issued for new money and not on account of claims and (ii) any Eligible Notes; (e) the holder of such stock has substantially the same or more favorable voting, governance and registration rights as those set forth in the Governance Term Sheet (defined below); and (f) on terms that do not discriminate unfairly against Ares in any manner relative to the RSA.
Work Fee	The Work Fee to be paid upon exercise of the Conversion Right shall be $2.5 million, payable in immediately available funds on the Plan Effective Date or upon the effectiveness of an alternative plan of reorganization, as applicable.

Conditions	The Elk Hills Settlement Agreement will become effective on the first date (the "Settlement Effective Date") when certain documentary conditions precedent have been satisfied (including the receipt of the FERC certification contemplated in the Elk Hills Settlement Agreement) and the Bankruptcy Court shall have entered the Final 9019 Order and the Final DIP Order, such order to satisfy the consent rights set forth in the RSA.
Termination	Before the Settlement Effective Date, the Elk Hills Settlement Agreement may be terminated by written notice from either Ares or the Company (with the support of the Required Consenting Creditors) if: (a) the Interim 9019 Order is not approved by the 5th day after the Petition Date or does not otherwise satisfy the consent rights set forth in the RSA; (b) the RSA is terminated before the Final 9019 Order is approved; (c) the Final DIP Order has not been entered prior to, or is not conditioned on, the Final 9019 Order; (d) the Definitive Documents set forth in Section 3.02(a) of the RSA are not in agreed form prior to entry of the Final 9019 Order; (e) the Final 9019 Order is not approved by the 40th day after the Petition Date in form and substance reasonably acceptable to Ares, the Company and Required Consenting Creditors; (f) the other party to the Elk Hills Settlement Agreement breaches any covenant, representation or warranty in the Elk Hills Settlement Agreement in any material respect not cured within 10 days after written notice; and (g) the obligations of the Company, Ares or the Consenting Creditors under the RSA are terminated for any reason prior to entry of the Final 9019 Order, other than as a result of a material breach by the Party seeking to terminate the Elk Hills Settlement Agreement.
TREATMENT OF CLAIMS OR INTERESTS	
Holders of claims against and equity interests in the Company will receive the following treatment in full and final satisfaction of such claims and interests, which shall be released and discharged under the Plan.	
Treatment of DIP Claims	Claims under the DIP Facilities shall be paid in full in cash on the Plan Effective Date unless otherwise agreed between the Company, the Required Consenting Parties and the affected parties under the applicable DIP Facility.

Treatment of Administrative and Priority Claims	Each holder of an allowed administrative, priority, and tax claim shall have such claim satisfied in full, in cash, or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Treatment of RBL Claims	Each holder of an allowed claim in respect of the RBL Facility (the "Prepetition RBL Claims") shall be paid in full, to the extent not previously paid from the proceeds of the DIP Facilities.
Treatment of 2017 Term Loan Claims	The holders of the 2017 Term Loan Claims shall be bifurcated into a stipulated The stipulated amount will also be used as an estimate for voting purposes. secured claim in the amount of $537 million (the "Stipulated 2017 Secured Claim") and a deficiency claim in the amount of $794 million, which is equal to the remaining portion of principal and accrued and unpaid interest due on the Petition Date (the "Stipulated 2017 Deficiency Claim") and represents 20% of the aggregate Deficiency/Unsecured Debt Claims. The Company and the Consenting Parties acknowledge and agree that this stipulation is solely for purposes of the Plan and they shall not make any argument or claim now or in the future against any other party to the RSA based on the stipulated amount of the Stipulated 2017 Secured Claim or the Stipulated 2017 Deficiency Claim and that, for the avoidance of doubt, such amounts shall not constitute or be construed as an admission of any fact or liability, a stipulation or a waiver, and are determined herein without prejudice, with a full reservation as to any rights, remedies or defenses of the Company and any Consenting Creditor. Each holder of a Stipulated 2017 Secured Claim shall receive its pro rata share of: (a) 83.6% of the total New Common Stock subject to dilution by the Equity Rights Offering, the Backstop Commitment Premium, the Eligible Stock, the Junior DIP Exit Fee and the MIP; and (b) 100% of the Tranche A Remaining Subscription Rights.
Treatment of Deficiency/ Unsecured Debt Claims	Except to the extent that a holder of such claim agrees to lesser treatment, each holder of a Deficiency/Unsecured Debt Claim shall receive its pro rata share (to be determined on a pro rata basis together with all other general unsecured claims in the event that the Class of Deficiency/Unsecured Debt Claims votes to reject the Plan) of: (a) 16.4% of the total New Common Stock subject to dilution by the Equity Rights Offering, the Backstop Commitment Premium, the Eligible Stock, the Junior DIP Exit Fee and the MIP; and (b) 100% of the Tranche B Remaining Subscription Rights.

Treatment of Other General Unsecured Claims	Except to the extent that a holder of such claim agrees to lesser treatment, on and after the Plan Effective Date, the Debtors will continue to pay or dispute all general unsecured claims that are not Deficiency/Unsecured Debt Claims in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing/instruments evidencing or other documents related to such transactions, as if the Chapter 11 Cases had never been consummated.
Treatment of Existing Equity Interests	Existing equity interests in CRC will be cancelled, released, and extinguished, and will be of no further force or effect.
OTHER TERMS OF THE RESTRUCTURING	
Organizational and Governance Matters	Corporate governance for Reorganized CRC, including charters, bylaws, operating agreements or other organizational documents, as applicable, shall be consistent with the Governance Term Sheet attached hereto as Annex F, this Term Sheet and section 1123(a)(6) of the Bankruptcy Code and shall satisfy the consent rights set forth in the RSA.
Board of Reorganized Company	The initial board of directors of Reorganized CRC (the "New Board") shall be designated as set forth in the Governance Term Sheet prior to the Plan Effective Date and shall be subject to compliance with NYSE listing standards (if applicable) and other applicable laws and rules. The Chief Executive Officer shall be included as a member of the New Board.
Employment and Related Agreements, D&O Insurance and Benefit Plans	Except as otherwise provided in the Plan (and subject to the consent of the Required Consenting Parties, such consent not to be unreasonably withheld, conditioned or delayed), on and after the Plan Effective Date, Reorganized CRC shall amend, adopt, assume, and/or honor in the ordinary course of business any contracts, agreements, policies, programs, and plans, in accordance with their respective terms, for, among other things, compensation, including any incentive plans, retention plans, health care benefits, disability benefits, deferred compensation benefits, savings, accrued vacation time, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of the Company who served in such capacity from and after the Petition Date. Any change of control provisions in any assumed agreement shall be waived. All Company indemnification obligations shall be assumed by Reorganized CRC on the Plan Effective Date.
Management Incentive Plan	Reorganized CRC may adopt and implement, on or after the Plan Effective Date, the management incentive plan (the "MIP"), which shall be subject to the terms and conditions (including, if applicable, anti-dilution protections) established from time to time in the sole discretion

	of the New Board (as defined herein), pursuant to which up to 10% of the New Common Stock shall be reserved for grant to the participants pursuant to a MIP acceptable to the Required Consenting Parties.
KEIP/KERP	Consenting Parties shall agree to support, and not object to, KEIP and KERP motions; *provided* that the terms of such programs shall not substantively differ from the proposal provided to the Ad Hoc Group Advisors and Ares on July 10, 2020.
Restructuring Transactions	The Confirmation Order shall be deemed to authorize, among other things, all actions as may be necessary or appropriate to effectuate any transaction described in, approved by, contemplated by or necessary to consummate the Plan and the Restructuring. On the Plan Effective Date, Reorganized CRC, as applicable, shall issue all securities, notes, instruments, certificates and other documents required to be issued pursuant to the Restructuring.
Executory Contracts and Unexpired Leases	The Plan will provide that executory contracts and unexpired leases will be deemed assumed or rejected pursuant to section 365 of the Bankruptcy Code in a manner reasonably acceptable to the Required Consenting Parties. The Company and the Consenting Parties will work together in good faith to determine which executory contracts and unexpired leases shall be assumed, assumed and assigned, or rejected in the Chapter 11 Cases.
Subordination	The classification and treatment of Claims under the Plan shall conform to the respective contractual, legal and equitable subordination rights of such Claims, and any such rights shall be settled, compromised and released pursuant to the Plan; *provided* that all distributions under the Plan and pursuant to the Equity Rights Offering to holders of 2016 Term Loan Claims and Second Lien Notes Claims shall not be subject to any turnover or other similar provision under any applicable intercreditor agreement.
Cancellation of Notes, Instruments, Certificates, and Other Documents	On the Plan Effective Date, except to the extent otherwise provided in this Term Sheet or the Plan, all notes, instruments, certificates, and other documents evidencing claims or interests, including credit agreements and indentures, shall be canceled, and the Company's obligations thereunder or in any way related thereto shall be deemed satisfied in full and discharged.
Tax Matters	The parties will work together in good faith and use commercially reasonable efforts to structure and implement the transactions in connection with the Restructuring in a tax efficient manner for the Company, Ares and the Consenting Creditors.

Exemption from SEC Registration	The issuance of securities under the Plan will be exempt from SEC registration under section 1145 of the Bankruptcy Code to the full extent, if any, permitted thereby.
Retained Causes of Action	Reorganized CRC shall retain all rights to commence and pursue any Causes of Action, other than any Causes of Action that the Company has released pursuant to the release and exculpation provisions outlined in this Term Sheet and implemented pursuant to the Plan. Notwithstanding the foregoing, Reorganized CRC and/or a Litigation Trust shall retain all rights to commence and pursue any Causes of Action as specified in the Plan supplement, including without limitation any chapter 5 causes of action (other than against Released Parties as defined in Annex G), unless such causes of action are settled or resolved prior to the Plan Effective Date with the consent of the Required Consenting Parties.
Releases and Exculpation	The Plan will include customary mutual releases in favor of the (i) Company, (ii) the Consenting Creditors and (iii) subject to the Elk Hills Settlement Agreement, Ares and Elk Hills Power, and each of their respective current and former directors, officers, shareholders, employees, advisors, legal counsel and agents, in each case in the form set forth on Annex G.
Retention of Jurisdiction	The Plan will provide that the Bankruptcy Court shall retain jurisdiction for usual and customary matters.
Conditions Precedent to the Plan Effective Date	The occurrence of the Plan Effective Date shall be subject to the satisfaction of certain conditions precedent customary in transactions of the type described herein, including, without limitation, the following: • All definitive documentation for the Restructuring shall have been executed and remain in full force and effect, which definitive documentation shall satisfy the consents set forth in the RSA. • All requisite filings with governmental authorities (including FERC) and third parties shall have become effective, and all such governmental authorities and third parties shall have approved or consented to the Restructuring, to the extent required. • All documents contemplated by the RSA to be executed and delivered on or before the Plan Effective Date shall have been executed and delivered. • The Settlement Effective Date shall have occurred and the Elk Hills Settlement Agreement shall be in full force and effect. • The Confirmation Order shall have become a final and non-appealable order, which shall not have been stayed, reversed, vacated,

	amended, supplemented or otherwise modified, unless waived by the Required Consenting Creditors. • The RSA has been assumed pursuant to the Confirmation Order. Additional conditions precedent to the Plan Effective Date as set forth in the RSA.
Other Customary Plan Provisions	The Plan will provide for other standard and customary provisions, including in respect of the cancellation of existing claims and interests, the vesting of assets, the compromise and settlement of claims, the retention of jurisdiction by the Bankruptcy Court and the resolution of disputed claims.

Annex A

Schedule of Company Parties

California Resources Corporation
California Heavy Oil, Inc.
California Resources Coles Levee, L.P.
California Resources Coles Levee, LLC
California Resources Elk Hills, LLC
California Resources Long Beach, Inc.
California Resources Mineral Holdings LLC
California Resources Petroleum Corporation
California Resources Production Corporation
California Resources Production Mineral Holdings, LLC
California Resources Real Estate Ventures, LLC
California Resources Royalty Holdings, LLC
California Resources Tidelands, Inc.
California Resources Wilmington, LLC
CRC Construction Services, LLC
CRC Marketing, Inc.
CRC Services, LLC
Monument Production, Inc.
Oso Verde Farms, LLC
Socal Holding, LLC
Southern San Joaquin Production, Inc.
Thums Long Beach Company
Tidelands Oil Production Company LLC

Annex B

Junior DIP Term Sheet

[See Attached]

CALIFORNIA RESOURCES CORPORATION
DIP TERM FACILITY TERM SHEET

This term sheet (the "**DIP Term Facility Term Sheet**") sets forth the principal terms of a junior secured superpriority debtor-in-possession credit facility (the "**DIP Term Facility**"; the credit agreement evidencing the DIP Term Facility, the "**DIP Term Credit Agreement**" and, together with the other definitive documents governing the DIP Term Facility, the "**DIP Term Documents**," each of which shall be in form and substance acceptable to the DIP Term Facility Borrower (as defined herein), the DIP Term Facility Agent (as defined herein) and the Junior DIP Commitment Parties). The DIP Term Documents otherwise shall be in form and substance substantially consistent with this DIP Term Facility Term Sheet and shall be entered into with the DIP Term Facility Borrower and certain of its subsidiaries in connection with the Chapter 11 Cases. The DIP Term Facility will be subject to the approval of the Bankruptcy Court and consummated in accordance with (i) the DIP Orders (as defined herein) of the Bankruptcy Court authorizing the Debtors to enter into the DIP Term Facility and (ii) the DIP Term Documents to be executed by the Debtors. Capitalized terms used herein but not defined herein have the meanings ascribed to such terms in the restructuring support agreement to which this DIP Term Facility Term Sheet is attached (the "**RSA**") and the restructuring term sheet attached thereto as Exhibit A (the "**Restructuring Term Sheet**").

SUMMARY OF PRINCIPAL TERMS	
DIP Term Facility Borrower	California Resources Corporation, a Delaware corporation, as a debtor and debtor-in-possession (the "**DIP Term Facility Borrower**" or the "**Company**").
Guarantors	Each direct or indirect wholly owned subsidiary of the DIP Term Facility Borrower, including each such subsidiary that is a debtor and debtor-in-possession (the "**Guarantors**" and, together with the DIP Term Facility Borrower, the "**Loan Parties**"), subject to certain exceptions to be agreed, it being understood and agreed that each subsidiary of the DIP Term Facility Borrower that is an obligor under any of the Prepetition Facilities (as defined herein) shall be a Guarantor.
DIP Term Facility Agent	Alter Domus Products Corp., as administrative agent (in such capacity, the "**DIP Term Facility Agent**").
DIP Term Lenders	The Junior DIP Commitment Parties or any affiliate or designee of any Junior DIP Commitment Party (the "**DIP Term Lenders**").
Amount & Type	A junior secured superpriority debtor-in-possession term loan facility in an aggregate principal amount of $650.0 million, which shall be available in a single draw on the Closing Date (as defined herein) subject to the terms and conditions of this DIP Term Facility Term Sheet and the DIP Term Facility Documents. "**DIP Term Loans**" shall mean the loans made under the DIP Term Facility by the DIP Term Lenders on the Closing Date. "**Junior DIP Commitment**" shall mean the several and not joint commitment of each DIP Term Lender to make DIP Term Loans on the Closing Date in the amount set forth opposite such DIP Term Lender's name on Exhibit C attached to the RSA. The Junior DIP Commitments will automatically terminate on the earlier of (i) the funding of the DIP Term Loans and (ii) the date immediately following

	the Closing Date. Amounts borrowed under the DIP Term Facility that are repaid or prepaid may not be re-borrowed.
Use of Proceeds	The proceeds of the DIP Term Loans will be used, together with amounts borrowed under the Senior DIP Facility (as defined below) on the Closing Date, (i) to refinance in full the obligations under the Prepetition RBL Credit Agreement (as defined herein) and (ii) to pay certain costs, fees and expenses related to the Chapter 11 Cases. Such refinancing shall be subject to unwinding solely to the extent that, prior to the termination of the challenge period, the Prepetition RBL Facility is determined in the Final DIP Order to be undersecured, and the extent of any such unwinding shall be limited to the amount of such undersecurity.
Senior DIP Facility	Concurrently with entering into the DIP Term Facility, the Debtors will enter into a senior secured superpriority debtor-in-possession term loan and/or revolving credit facility in an aggregate principal amount equal to $483,010,655.62 (the "**Senior DIP Facility**" and, together with the DIP Term Facility, the "**DIP Facilities**"; the credit agreement evidencing the Senior DIP Facility, the "**Senior DIP Credit Agreement**"; and the Senior DIP Credit Agreement together with the other definitive documents governing the Senior DIP Facility, the "**Senior DIP Documents**"), with JPMorgan Chase Bank, N.A. as the administrative agent thereunder (the "**Senior DIP Facility Agent**"). The terms of the Senior DIP Facility shall be substantially consistent with those set forth in, as applicable, the Senior DIP Commitment Letter and/or the Senior DIP Credit Agreement.
Maturity Date	The DIP Term Facility shall mature on the date that is the earliest of (i) the date that is six (6) months following the Petition Date, (ii) the sale of all or substantially all of the DIP Term Facility Borrower's or the Loan Parties' assets, (iii) the Plan Effective Date or the effective date of any other plan of reorganization in respect of the Debtors and (iv) the date that is forty (40) days after the Petition Date if the Final DIP Order has not been entered by the Bankruptcy Court by such date (such earliest date, the "**DIP Term Termination Date**"). Subject to the subordination provisions set forth under the heading "*Priority Under the DIP Term Facility*", if the DIP Term Termination Date occurs other than as a result of the occurrence of the Plan Effective Date, all obligations under the DIP Term Facility shall be immediately paid in cash, and the DIP Term Lenders shall (in each case, to the extent not yet paid) receive the payments required to be paid thereon and described below (i) under the heading "*Fees*" and (ii) in the first paragraph under the heading "*Fees and Expenses; Indemnification*". On the Plan Effective Date, the DIP Term Loans shall be repaid in full in cash with the proceeds of the Equity Rights Offering and the Second Lien Exit Facility; provided that at the direction and at the option of any DIP Term Lender that is also a Backstop Party, an Exit Second Lien Facility Commitment Party or a Related Fund (as defined in the Backstop Commitment Agreement) of such Backstop Party or Exit Second Lien Facility Commitment Party, for administrative convenience, the cash to be

	received by such DIP Term Lender on account of the principal amount of its DIP Term Loans shall be set off or otherwise applied towards the obligation of such Backstop Party or Exit Second Lien Facility Commitment Party (or in each case any Related Fund thereof) to fund its portion of the Equity Rights Offering or the Second Lien Exit Facility, as applicable. Upon the set off or application of such amounts, the DIP Term Loans of such DIP Term Lender in a principal amount equal to such amounts shall be deemed satisfied and paid in full.
Interest Rate	LIBOR plus 9.00% per annum (or if applicable, ABR plus 8.00% per annum); provided that in no event shall LIBOR be less than 1.00% (or ABR be less than 2.00%). Interest shall be payable in cash on each interest payment date (to be defined in the DIP Term Credit Agreement).
Default Interest	Upon the occurrence and during the continuation of an Event of Default (as defined herein), all obligations will bear interest at (i) in the case of principal and interest, a rate equal to 2.00% per annum, plus the otherwise applicable rate to the relevant DIP Term Loans and (ii) in the case of all other amounts, such amounts will bear interest at a rate equal to 2.00% per annum plus the rate applicable to DIP Term Loans that are ABR loans.
Amortization	None.
Fees	*Upfront Fee:* An upfront fee ("**Upfront Fee**") payable to the DIP Term Lenders in an amount equal to 1.00% on each DIP Term Lender's allocated share of the Junior DIP Commitments in effect as of the Closing Date, which Upfront Fee shall be payable in cash by or on behalf of the DIP Term Facility Borrower on the Closing Date and may be netted from the amount of DIP Term Loans funded by the DIP Term Lenders on the Closing Date. For the avoidance of doubt, with respect to the Upfront Fee payable to the Fronting Lender (as defined below) in its capacity as a DIP Term Lender, such Upfront Fee shall be held for the benefit of (and passed on to) each DIP Term Lender (after giving effect to such assignment) to which the DIP Term Loans funded by the Fronting Lender shall be assigned on or after the Closing Date. *Fronting Fee*: A fronting fee ("**Fronting Fee**") payable to Credit Suisse Loan Funding LLC or a designated affiliate thereof (in such capacity, the "**Fronting Lender**") in an amount equal to the lesser of (i) 0.375% on the aggregate principal amount of DIP Term Loans funded to the DIP Term Facility Borrower by the Fronting Lender on the Closing Date and (ii) $500,000, which Fronting Fee shall be payable by or on behalf of the DIP Term Facility Borrower in cash on the Closing Date and may be netted from the amount of DIP Term Loans funded by the Fronting Lender on the Closing Date. For the avoidance of doubt, the Fronting Fee shall be in addition to (and not in replacement of) the Upfront Fee or any other fees owed to the Fronting Lender, the DIP Term Lenders or any other party to the DIP Term Documents.
Mandatory Prepayments	Subject to the limitations set forth under heading "*Priority under the DIP Term Facility*", mandatory prepayments under the DIP Term Facility shall be required with 100% of the net cash proceeds from (a) issuance of any indebtedness (with exceptions for permitted indebtedness) or equity and (b) any asset sale or hedge agreement unwinds by any Loan Party, without

	reinvestment rights, except for (i) sales of inventory and current assets in the ordinary course of business, (ii) leases (other than on oil and gas properties), subleases, licenses sublicenses of real, personal or intellectual property in the ordinary course of business, (iii) disposition of property or assets among Loan Parties to the extent otherwise permitted under the DIP Term Facility, (iv) sale or disposition of obsolete, used, worn-out or surplus assets (including equipment) and (v) other customary exceptions to be mutually agreed; provided that only (x) 50% of the first $20.0 million of aggregate net cash proceeds and (y) 100% of the net cash proceeds in excess thereof, in each case, from dispositions of non-core assets that are identified by the DIP Term Facility Borrower and agreed to by the Required DIP Term Lenders (as defined herein) and the Senior DIP Facility Agent prior to the Closing Date shall be required to be prepaid.
Voluntary Prepayments	Subject to the limitations set forth under heading "*Priority under the DIP Term Facility*", amounts outstanding under the DIP Term Facility may be voluntarily repaid at any time without premium or penalty.
Interim DIP Order	The interim order approving the DIP Term Facility, which shall be in form and substance acceptable to the Required DIP Term Lenders (the "**Interim DIP Order**"), shall, among other things, authorize and approve (i) the borrowing and making of the DIP Term Loans in an amount up to $650.0 million, (ii) the granting of the superpriority claims and liens against the Debtors and their assets in accordance with this DIP Term Facility Term Sheet and the DIP Term Documents, (iii) the payment of all reasonable and documented fees and expenses (including the fees and expenses of outside counsel and financial advisors) required to be paid by the Debtors to the DIP Term Facility Agent and the DIP Term Lenders as described under the heading "*Fees and Expenses Indemnification*", (iv) the use of cash collateral; provided that the Adequate Protection (as defined herein) shall be granted in accordance with the terms set forth in this DIP Term Facility Term Sheet, (v) the payment of the fees as described under the heading "*Fees*", which payment shall not be subject to reduction, setoff or recoupment and (vi) as of the date of the Interim DIP Order, waivers for the benefit of the DIP Secured Parties of Section 506(c) of the Bankruptcy Code, the "equities of the case" exception under the Bankruptcy Code and any rights seeking marshalling.
Final DIP Order	The final order approving the DIP Term Facility shall be substantially in the same form as the Interim DIP Order (with such modifications as are necessary to convert the Interim DIP Order into a final order) and in form and substance acceptable to the Required DIP Term Lenders (as defined herein) (the "**Final DIP Order**" and, together with the Interim DIP Order, the "**DIP Orders**").
Prepetition Facilities[1]	"**Prepetition RBL Credit Agreement**" means that certain Credit Agreement, dated as of September 24, 2014, among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as the administrative agent (the "**Prepetition RBL Agent**"). The "Secured Parties" thereunder are referred to herein as the "**Prepetition RBL Secured Parties**" and the facility thereunder is referred to herein as the "**Prepetition RBL Facility**".

[1] In each case, as amended, restated, supplemented or otherwise modified prior to the date hereof.

	"**Prepetition 1.25L Agreement**" means that certain Credit Agreement, dated as of November 17, 2017, among the Company, the lenders party thereto and The Bank of New York Mellon Trust Company, N.A., as administrative agent (the "**Prepetition 1.25L Agent**"). The "Secured Parties" thereunder are referred to herein as the "**Prepetition 1.25L Secured Parties**". "**Prepetition 1.5L Agreement**" means that certain Credit Agreement, dated as of August 12, 2016, among the Company, the lenders party thereto and The Bank of New York Mellon Trust Company, N.A., as administrative agent and collateral agent (the "**Prepetition 1.5L Agent**"). The "Secured Parties" thereunder are referred to herein as the "**Prepetition 1.5L Secured Parties**". "**Prepetition 2L Indenture**" means that certain Indenture, dated as of December 15, 2015, among the Company and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral trustee (the "**Prepetition 2L Trustee**"). The "Holders" thereunder are referred to herein as the "**Prepetition 2L Secured Parties**". The facilities and indebtedness governed by the Prepetition 1.25L Agreement, the Prepetition 1.5L Agreement and the Prepetition 2L Indenture are collectively referred to herein as the "**Prepetition Term Facilities**". The facilities and indebtedness governed by the Prepetition RBL Credit Agreement and the Prepetition Term Facilities are collectively referred to herein as the "**Prepetition Facilities**". The Prepetition RBL Secured Parties, the Prepetition 1.25L Secured Parties, the Prepetition 1.5L Secured Parties and the Prepetition 2L Secured Parties are collectively referred to herein as the "**Prepetition Secured Parties**".
DIP Collateral	All present and after acquired property (whether tangible, intangible, real, personal or mixed) of the Loan Parties, wherever located, including, without limitation, all accounts, all deposit accounts, securities accounts and commodities accounts, inventory, equipment, capital stock in subsidiaries of the Loan Parties, including, for the avoidance of doubt, any equity or other interests in the Loan Parties' non-Debtor and/or jointly-owned subsidiaries, investment property, instruments, chattel paper, interests in real property (whether owned or leased), contracts, patents, copyrights, trademarks and other general intangibles, and all products and proceeds thereof, subject to customary exclusions and excluding any causes of action under Bankruptcy Code sections 502(d), 544, 545, 547, 548, 549, 550 or 553 or any other avoidance actions under the Bankruptcy Code or applicable non-bankruptcy law but, subject to entry of the Final DIP Order, including the proceeds thereof. The collateral described above is collectively referred to herein as the "**DIP Collateral**" and the liens on the DIP Collateral securing the DIP Term Facility are referred to herein as the "**DIP Term Facility Liens**". For the avoidance of doubt, the DIP Collateral and the collateral securing the Senior DIP Facility shall be identical.

Priority Under the DIP Term Facility	All obligations of the Loan Parties to the DIP Term Lenders and to the DIP Term Facility Agent shall, subject to the Carve-Out (as defined below), at all times: (a) be entitled to superpriority administrative expense claim status in the Chapter 11 Case of such Loan Party; (b) be secured by a fully perfected second priority security interest and lien on the DIP Collateral that is not subject to (x) valid, perfected and non-avoidable liens as of the Petition Date or (y) valid liens in existence as of the Petition Date that are perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code; (c) except as otherwise provided in clause (d) below with respect to the existing liens of the Prepetition Secured Parties with respect to the DIP Collateral, be secured by a junior perfected security interest and lien on the DIP Collateral to the extent such DIP Collateral is subject to (A) valid, perfected and non-avoidable senior liens (other than Primed Liens (as defined below)) in favor of third parties that were in existence immediately prior to the Petition Date that were senior to the liens securing the obligations under the Prepetition RBL Credit Agreement and the obligations under the Prepetition 1.25L Credit Agreement and (B) valid and non-avoidable liens in favor of third parties that were in existence immediately prior to the Petition Date that were senior to the liens securing the obligations under the Prepetition RBL Credit Agreement and the obligations under the Prepetition 1.25L Credit Agreement and perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code ((A) and (B) together, the "**Permitted Prior Liens**"); and (d) pursuant to Section 364(d)(1) of the Bankruptcy Code, be secured by a second-priority perfected priming security interest and lien on the DIP Collateral of each Loan Party to the extent such DIP Collateral is subject to existing liens that secure obligations under the Prepetition Facilities (the "**Primed Liens**"); *provided* that if any amounts are unwound from the Senior DIP Facility or the Prepetition RBL Credit Agreement lenders, the DIP Term Facility Liens and claims shall be junior and subordinated to such unwound amounts to the same extent as if such amounts were never unwound. The DIP Term Facility Liens and claims shall be junior to the liens securing the obligations under the Senior DIP Facility (the "**Senior DIP Facility Liens**") and the Contingent Prepetition RBL Secured Party Replacement Liens and Contingent Prepetition RBL Secured Party Adequate Protection Claims (each as defined below) as set forth in the Interim DIP Order and the Final DIP Order. The DIP Term Facility shall not be entitled to, and shall not retain, any distributions or prepayments whether in cash, equity, debt or otherwise and irrespective of whether such distributions or prepayments are from collateral proceeds, unencumbered assets, new equity or debt issuances or otherwise unless and until the Senior DIP Facility (and all amounts (if any) that are unwound) is Paid in Full (as defined below); provided that the DIP Term Facility shall be entitled to (i) current pay interest so long as no Event of Default under the Senior DIP Facility shall have occurred and be continuing

	at the time of such payment and (ii)(x) the Upfront Fee and Fronting Fee described under the heading "*Fees*" above and (y) the fees and expenses described in the first paragraph under the heading "*Fees and Expenses; Indemnification*" below. For purposes hereof, "**Paid in Full**" or "**Pay in Full**" shall mean the indefeasible payment in full in cash of all outstanding obligations under the Senior DIP Facility (and all amounts (if any) that are unwound) (other than (x) secured hedge obligations that, at the time of such determination, are allowed by the person to whom such secured hedge obligations are owing to remain outstanding or are not required to be repaid or cash collateralized pursuant to the provisions of any document governing such secured hedge obligations or have been assigned or novated concurrently with such payment, (y) secured cash management obligations and (z) contingent indemnification obligations not then due and payable), the replacement, backstop or full cash collateralization of all issued letters of credit, and the termination of all commitments thereunder. Upon the occurrence and during the continuance of an Event of Default, the requisite lenders under the Senior DIP Facility shall control all remedies and the DIP Term Lenders shall not contest or otherwise object to the exercise of any such rights and remedies subject to a standstill period to be agreed; provided that the DIP Term Lenders shall have a customary "purchase right" that will permit them to purchase the outstanding obligations under the Senior DIP Facility. The DIP Term Lenders shall have the right to credit bid the DIP Term Loans provided such bid will Pay in Full the Senior DIP Facility at the closing thereof. The "**Carve-Out**" shall mean (a) fees owing to the United States Trustee incurred in connection with the Chapter 11 Cases, in an unlimited amount, (b) professional fees, expenses, and disbursements incurred by professional persons employed by the Loan Parties or any statutory committee in the Loan Parties' Chapter 11 Cases (including any fees and expenses of the members of any such statutory committee) ("**Professional Fees and Expenses**") incurred on and after the Petition Date and before the occurrence of a Carve-Out Trigger Date (as defined below) in an unlimited amount and (c) Professional Fees and Expenses incurred after the occurrence of a Carve-Out Trigger Date, in an amount not to exceed $7.0 million (the "**Post-Trigger Date Carve-Out**"). Payment of Professional Fees and Expenses pursuant to the Carve-Out is subject to entry of a customary order of the Bankruptcy Court, allowing for the interim payment of such amounts, and subject further to Bankruptcy Court approval of any such Professional Fees and Expenses; provided that the Carve-Out shall not be available to pay Professional Fees and Expenses incurred by any party, including the Loan Parties or any committee or any professionals engaged thereby, in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against any of the DIP Term Facility Agent, the DIP Term Lenders or other secured parties under the DIP Term Documents, subject to $75,000 being available for a committee to investigate the validity and enforceability of the obligations under and liens securing the Prepetition RBL Credit Agreement. The "**Carve-Out Trigger Date**" means the first business day after the DIP Term Facility Agent provides a written notice to the DIP Term Facility Borrower and its counsel that an event of default under the DIP Term Facility (an "**Event of Default**") (or an event which with the giving of notice would constitute an Event of Default) has occurred and that the Post-Trigger Date Carve-Out has been invoked.

	Upon the occurrence of the Carve-Out Trigger Date, the DIP Term Facility Borrower shall deposit into an interest-bearing escrow account at a financial institution acceptable to the Required DIP Term Lenders (the "**Carve-Out Account**") an amount equal to the sum of (i) all fees and expenses required to be paid pursuant to clause (a) in the definition of Carve-Out above, (ii) all billed and unpaid Professional Fees and Expenses (including outstanding holdbacks) incurred on or after the Petition Date and prior to the Carve-Out Trigger Date, (iii) all unbilled Professionals Fees and Expenses incurred on or after the Petition Date and prior to the Carve-Out Trigger Date and (iv) $7.0 million. For the avoidance of doubt, if the "Carve-Out Trigger Date" happens under both the Senior DIP Facility and the DIP Term Facility, satisfaction of the deposit requirements under the Senior DIP Facility shall be deemed to satisfy the equivalent requirements under the DIP Term Facility. The failure of the amounts deposited in the Carve-Out Account to satisfy in full the amount set forth in the Carve-Out shall not affect the priority of the Carve-Out. The DIP Term Facility Agent and the DIP Term Lenders shall retain automatically perfected and continuing first priority security interests in any residual interest in the Carve-Out Account available following satisfaction in full of all obligations benefiting from the Carve-Out (the "**Residual Carve-Out Amount**"). Promptly (but in no event later than 5 business days) following the satisfaction in full of all obligations benefiting from the Carve-Out, the DIP Term Facility Borrower shall deliver the Residual Carve-Out Amount, if any, to the Senior DIP Facility Agent (or, following a Payment in Full, the DIP Term Facility Agent).
Adequate Protection	Prepetition RBL Secured Parties: Until the discharge in full of the obligations under the Prepetition RBL Credit Agreement as set forth in the Final DIP Order: (a) payment of the reasonable and documented prepetition and post-petition fees and expenses of the Prepetition RBL Agent, including the reasonable and documented fees and expenses of primary counsel, local counsel and a financial advisor; (b) contingent replacement liens on the DIP Collateral to secure the Prepetition RBL Secured Party Adequate Protection Claims (as defined herein) (the "**Contingent Prepetition RBL Secured Party Replacement Liens**"), senior to all other liens on the DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens and (iii) the Senior DIP Facility Liens; (c) contingent allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**Contingent Prepetition RBL Secured Party Adequate Protection Claims**"); and (d) other adequate protection to be agreed. Prepetition 1.25L Secured Parties: (a) payment of the reasonable and documented prepetition and post-petition fees and expenses of the Prepetition 1.25L Agent and the ad

	hoc group of lenders under the Prepetition 1.25L Facility, including the reasonable and documented fees and expenses of the Ad Hoc Group Advisors; (b) replacement liens on the DIP Collateral to secure the Prepetition 1.25L Secured Party Adequate Protection Claims (as defined below) (the "**Prepetition 1.25L Secured Party Replacement Liens**"), senior to all other liens on the DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens, (iii) the DIP Term Facility Liens, (iv) the Contingent Prepetition RBL Secured Party Replacement Liens and (v) the Senior DIP Facility Liens; (c) allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**Prepetition 1.25L Secured Party Adequate Protection Claims**"); (d) waivers for the benefit of the Prepetition 1.25L Secured Parties of (i) Section 506(c) of the Bankruptcy Code and the "equities of the case" exception under the Bankruptcy Code; provided that the waivers in this clause (i) shall be without prejudice to the terms of the Final DIP Order with respect to the period from and after the entry of the Final DIP Order and (ii) subject to and effective only upon entry of the Final DIP Order, any rights seeking marshalling; (e) financial reporting and other reports and notices delivered by the DIP Term Facility Borrower under the DIP Term Facility; and (f) other adequate protection to be agreed. Prepetition 1.5L Secured Parties: (a) payment of the reasonable and documented prepetition and post-petition fees and expenses of the Prepetition 1.5L Agent and the ad hoc group of lenders under the Prepetition 1.5L Facility, including the reasonable and documented fees and expenses of the Ad Hoc Group Advisors; (b) replacement liens on the DIP Collateral to secure the Prepetition 1.5L Secured Party Adequate Protection Claims (as defined below) (the "**Prepetition 1.5L Secured Party Replacement Liens**"), senior to all other liens on the DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens, (iii) the DIP Term Facility Liens, (iv) the Prepetition 1.25L Secured Party Replacement Liens, (v) the Contingent Prepetition RBL Secured Party Replacement Liens and (vi) the Senior DIP Facility Liens; (c) allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**Prepetition 1.5L Secured Party Adequate Protection Claims**"); (d) waivers for the benefit of the Prepetition 1.5L Secured Parties of Section 506(c) of (i) Section 506(c) of the Bankruptcy Code and the "equities of the case" exception under the Bankruptcy Code; provided

	that the waivers in this clause (i) shall be without prejudice to the terms of the Final DIP Order with respect to the period from and after the entry of the Final DIP Order and (ii) subject to and effective only upon entry of the Final DIP Order, any rights seeking marshalling; (e) financial reporting and other reports and notices delivered by the DIP Term Facility Borrower under the DIP Term Facility; and (f) other adequate protection to be agreed. Prepetition 2L Secured Parties: (a) payment of the reasonable and documented prepetition and post-petition fees and expenses of the Prepetition 2L Trustee; (b) replacement liens on the DIP Collateral to secure the Prepetition 2L Secured Party Adequate Protection Claims (as defined below), senior to all other liens on the DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens, (iii) the DIP Term Facility Liens, (iv) the Prepetition 1.25L Secured Party Replacement Liens, (v) the Prepetition 1.5L Secured Party Replacement Liens, (vi) the Contingent Prepetition RBL Secured Party Replacement Liens and (vii) the Senior DIP Facility Liens; (c) allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**Prepetition 2L Secured Party Adequate Protection Claims**"); and (d) financial reporting and other reports and notices delivered by the DIP Term Facility Borrower under the DIP Term Facility. All adequate protection described herein shall be subject to, as applicable, the First Out Collateral Agency Agreement, the Existing Intercreditor Agreement and the First Lien Intercreditor Agreement, each as defined in the Prepetition RBL Credit Agreement.
Milestones	To be consistent with the milestones set forth in the RSA (the "**Milestones**").
Conditions Precedent to Closing and Funding	Usual and customary for debtor-in-possession financings of this type and substantially consistent with the conditions precedent to closing and funding under the Senior DIP Credit Agreement, including, without limitation: (i) execution and delivery of the DIP Term Credit Agreement and the other DIP Term Documents evidencing the DIP Term Facility; (ii) the Petition Date shall have occurred, and the DIP Term Facility Borrower and each Guarantor shall be a debtor and a debtor-in-possession; (iii) entry of the Interim DIP Order not later than 5 calendar days following the Petition Date; (iv) delivery of an initial DIP budget; (v) the RSA shall have become effective and binding in accordance with its terms, (vi) the entry of all "first day" orders and related pleadings with the Bankruptcy Court that are acceptable in form and substance to the Required DIP Term Lenders (as defined herein), (vii) the Senior DIP Credit Agreement and the other Senior DIP Documents shall have become effective and binding on the terms set forth on Annex I attached

	hereto, (viii) no default or event of default and (ix) accuracy of representations and warranties. The date on which the conditions precedent to closing are satisfied is referred to herein as the "**Closing Date**".
Representations and Warranties	Usual and customary for debtor-in-possession financings of this type and substantially consistent with the representations and warranties under the Senior DIP Documents, including, without limitation, representations with respect to initial and updated DIP budgets, the Chapter 11 Cases and the DIP Orders.
Information/Reporting Covenants	Usual and customary for debtor-in-possession financings of this type and substantially consistent with the reporting and information covenants under the Senior DIP Credit Agreement, including, without limitation, delivery and approval by the Required DIP Term Lenders of initial and updated DIP budgets and delivery of variance reports in respect thereof.
Other Affirmative Covenants	Usual and customary for debtor-in-possession financings of this type and substantially consistent with the affirmative covenants under the Senior DIP Credit Agreement, including, without limitation, customary related bankruptcy matters and priority liens and claims. In addition, the DIP Term Facility Borrower shall use commercially reasonable efforts to obtain ratings in respect of the DIP Term Facility from each of Moody's and S&P within 45 days following the Closing Date; *provided* that if the DIP Term Facility Borrower is unable to obtain both ratings for the DIP Term Facility on or prior to such date, the DIP Term Facility Borrower shall (i) thereafter use commercially reasonable efforts to obtain both ratings for the DIP Term Facility as soon as possible and (ii) promptly provide to the DIP Term Facility Agent and the DIP Term Lenders any other information, documentation or other evidence reasonably requested by the DIP Agent or the Required DIP Term Lenders in connection with the above subject matter.
Negative Covenants	Usual and customary for debtor-in-possession financings of this type and substantially consistent with the negative covenants under the Senior DIP Credit Agreement, including, without limitation, the Financial Covenants (as defined herein), covenants related to bankruptcy matters and amendments to the Elk Hills Power Agreements (as defined in the RSA), in each case, consistent with, and not more restrictive than, the Senior DIP Credit Agreement.
Financial Covenants	The DIP Term Facility shall contain the same financial covenants (the "**Financial Covenants**") as the financial covenants under the Senior DIP Credit Agreement (which shall include, for the avoidance of doubt, a budget variance covenant and a minimum liquidity covenant).

Events of Default	Usual and customary for debtor-in-possession financings of this type and substantially consistent with the events of default under the Senior DIP Credit Agreement, including, without limitation, cross-default to other material indebtedness (including the Senior DIP Facility) and the occurrence of certain events related to Elk Hills Power LLC (including (i) the loss of ability to utilize the gas processing and other services or the ability to purchase power or other commodities, or a change in the date and amount fixed for class C distributions pursuant to the Elk Hills Power Agreements (without giving effect to the exercise of rights under any ipso facto provision) or change in composition of the board of Elk Hills Power LLC, in each case, as provided under the Elk Hills Power Agreements (as defined in the RSA) and/or (ii) the termination or rejection of the Elk Hills Power Agreements without the consent of the Required DIP Term Lenders).
Voting	Amendments and waivers of the DIP Term Facility will require the approval of DIP Term Lenders holding more than 50% of the outstanding Junior DIP Commitments and DIP Term Loans (the "**Required DIP Term Lenders**"), subject to customary exceptions for certain provisions which shall require the consent of each affected DIP Term Lender or all DIP Term Lenders and customary protections for the DIP Term Facility Agent.
Fees and Expenses; Indemnification	Loan Parties obligated under the DIP Term Facility shall pay all agency fees of the DIP Term Facility Agent and all reasonable, documented out-of-pocket fees, costs and expenses incurred or accrued by the DIP Term Facility Agent and the DIP Term Lenders, including, without limitation, the reasonable and documented fees and expenses of Ropes & Gray LLP as primary counsel to the DIP Term Facility Agent and Davis Polk & Wardwell LLP as primary counsel to the DIP Term Facility Lenders, Cox & Castle as California special counsel to the DIP Term Facility Lenders, Rapp & Krock, PC, as Texas local counsel to the DIP Term Facility Lenders and local counsel in each other relevant jurisdiction and Evercore as financial advisor to the DIP Term Facility Lenders, in each case, associated with the syndication of the DIP Term Facility and the preparation, negotiation, execution, delivery and administration of the DIP Term Documents and any amendment, waiver, supplement, consent, or modification with respect thereto. The Loan Parties will indemnify the DIP Term Facility Agent, the DIP Term Lenders and their respective related parties, and hold them harmless from and against all reasonable, documented out-of-pocket costs, expenses and liabilities arising out of or relating to the transactions contemplated hereby or by the DIP Term Documents, except solely for the gross negligence or willful misconduct of such indemnified party, in each case to the extent determined by a court of competent jurisdiction in a final and non-appealable judgment.
Assignments and Participations	Usual and customary for debtor-in-possession financings of this type.
Governing Law	The laws of the State of New York (except with respect to any mortgage or deed of trust, in each case with respect to which the governing law shall be the law of the state within which the properties subject to the applicable mortgage or deed of trust are located) and, to the extent applicable, by the Bankruptcy Code.

Miscellaneous	The DIP Term Documents will include yield protection provisions usual and customary for debtor-in-possession financings of this type and substantially consistent with the yield protection provisions under the Senior DIP Credit Agreement.
Counsel to the DIP Term Lenders	Davis Polk & Wardwell LLP.

Annex C

Second Lien Exit Facility Term Sheet

[See Attached]

CALIFORNIA RESOURCES CORPORATION
SECOND LIEN EXIT TERM LOAN FACILITY

This term sheet (this "**Second Lien Exit Facility Term Sheet**") sets forth the principal terms of a senior secured second lien exit term loan facility to be provided to California Resources Corporation, as borrower and a reorganized debtor. Capitalized terms used herein but not defined have the meaning ascribed to such terms in the restructuring support agreement to which this Second Lien Exit Facility Term Sheet is attached (including in the Exhibits and Annexes attached thereto) (the "**Restructuring Support Agreement**").

SUMMARY OF PRINCIPAL TERMS	
Borrower	California Resources Corporation, a Delaware corporation, as borrower and a reorganized debtor (the "**Borrower**").
Guarantors	Each direct or indirect material wholly owned subsidiary of the Borrower, subject to certain exceptions to be agreed (the "**Guarantors**" and, together with the Borrower, the "**Loan Parties**"), it being understood and agreed that (i) each subsidiary of the Borrower that is an obligor under the DIP Term Facility or the First Lien Exit Facility (as defined herein) shall be a Guarantor and (ii) the Elk Hills Entities (as defined herein) shall not be Guarantors.
Administrative Agent and Collateral Agent	A financial institution reasonably acceptable to the Required Second Lien Exit Lenders (as defined herein) and the Borrower, as the administrative agent and the collateral agent (in such capacities, the "**Second Lien Exit Agent**").[1]
Second Lien Exit Lenders	The parties that have committed to provide the Second Lien Exit Facility pursuant to the Restructuring Support Agreement (together with their permitted assignees, the "**Second Lien Exit Lenders**").
Amount & Type of Second Lien Exit Facility	A senior secured second lien exit term loan facility (the "**Second Lien Exit Facility**" and, the loans thereunder, the "**Second Lien Exit Term Loans**") in an aggregate principal amount of up to $200.0 million. The Borrower may reduce the facility amount by $10,000,000 or increments of $10,000,000 in excess thereof at any time prior to the Emergence Date. "**Second Lien Exit Commitment**" shall mean the several and not joint commitment of each Second Lien Exit Lender to make Second Lien Exit Term Loans on the Emergence Date in the amount set forth opposite such Second Lien Exit Lender's name in Exhibit B attached to the RSA. The Second Lien Exit Commitment will automatically terminate on the earlier of (i) the funding of the Second Lien Exit Term Loans and (ii) the date immediately following the Emergence Date. Once repaid, Second Lien Exit Term Loans may not be reborrowed.
First Lien Exit Facility	The Borrower will obtain the First Lien Exit Facility on the terms set forth in the Restructuring Term Sheet under the heading "First Lien Exit Facility".

[1] It is understood and agreed that each of Alter Domus Products Corp., Ankura Trust Company, LLC, Wilmington Savings Fund Society, FSB, Cantor Fitzgerald Securities and GLASS USA LLC or, in each case, a designated affiliate thereof, are deemed to be acceptable to the Borrower

Maturity Date	The Second Lien Exit Facility will mature on the fifth (5th) anniversary of the closing date of the Second Lien Exit Facility or such other date as agreed by the Required Consenting Creditors.
Use of Proceeds	The proceeds of the Second Lien Exit Term Loans will be used, together with the proceeds of the Equity Rights Offering, to repay the Junior DIP Facility in full on the Emergence Date.
Interest Rate	For each interest period commencing (a) prior to the second anniversary of the Emergence Date, at the option of the Borrower, either (i) cash pay interest at a rate equal to LIBOR plus 9.00% per annum (or if applicable, ABR plus 8.00% per annum) or (ii) paid-in-kind interest at a rate equal to LIBOR plus 10.50% per annum (or if applicable, ABR plus 9.50% per annum) and (b) on or after the second anniversary of the Emergence Date, cash pay interest at a rate equal to LIBOR plus 9.00% per annum (or if applicable, ABR plus 8.00% per annum); provided that in no event shall LIBOR be less than 1.00% (nor shall ABR be less than 2.00%).
Default Interest	Upon the occurrence and during the continuation of an event of default, unless otherwise waived by the Required Second Lien Exit Lenders (as defined herein), all obligations will bear interest at (i) in the case of principal and interest, a rate equal to 2.00% per annum, plus the otherwise applicable rate to the relevant Second Lien Exit Term Loans and (ii) in the case of all other amounts, at a rate equal to 2.00% per annum plus the rate applicable to Second Lien Exit Term Loans that are ABR loans.
Amortization	None.
Incremental Facilities	None.
Fees	*Upfront Fee*: An upfront fee ("**Upfront Fee**") payable to the Second Lien Exit Lenders in an amount equal to 1.00% on each Second Lien Exit Lender's allocated share of the $200 million Second Lien Exit Commitment in effect as of the Execution Date, which shall be payable in cash on the Emergence Date and may be netted from the amount of Second Lien Exit Term Loans funded by the Second Lien Exit Lenders on the Emergence Date. *Second Lien Exit Agent Fees*: To be set forth in a separate fee letter agreement between the Second Lien Exit Agent and the Borrower. *Fronting Fee*: To the extent required by any Second Lien Exit Lender, a reasonable fronting fee ("**Fronting Fee**") payable to a financial institution acceptable to the Second Lien Exit Lenders (such financial institution, in its capacity as a fronting lender, the "**Fronting Lender**") in an amount not to exceed $500,000 (or such greater amount as agreed by the Borrower), which Fronting Fee shall be payable by or on behalf of the Borrower in cash on the Emergence Date and may be netted from the amount of Second Lien Exit Term Loans funded by the Fronting Lender on the Emergence Date. For the avoidance of doubt, the Fronting Fee shall be in addition to (and not in replacement of) the Upfront Fee or any other fees owed to the Fronting Lender, the Second Lien Exit Lenders or any other party to the Second Lien Exit Loan Documents.
Mandatory Prepayments	Mandatory prepayments under the Second Lien Exit Facility shall be no more restrictive than under the First Lien Exit Facility and shall be required with 100% of the net cash proceeds from (a) issuance of any indebtedness (with exceptions for permitted indebtedness) and (b) sales or other dispositions (including casualty

	events) of any assets in excess of amounts to be agreed and with reinvestment rights to be agreed. Notwithstanding the foregoing, no mandatory prepayments of the Second Lien Exit Term Loans shall be required for so long as the First Lien Exit Facility is outstanding, other than to the extent of mandatory prepayments declined by the lenders under the First Lien Exit Facility.
Voluntary Prepayments	The Borrower may prepay the Second Lien Exit Term Loans, in whole or in part, in minimum amounts to be agreed, subject to notice, customary breakage costs and the prepayment premium as set forth below. *Prepayment Premium*: Par for the first 90 days following the closing date, thereafter 105% prior to the first anniversary, 103% on or after the first anniversary and prior to the second anniversary; 102% on or after the second anniversary and prior to the third anniversary, 101% on or after the third anniversary and prior to the fourth anniversary, and par on the fourth anniversary and thereafter.
Second Lien Exit Facility Documentation	The Second Lien Exit Facility will be evidenced by (a) a credit agreement (the "**Second Lien Exit Credit Agreement**") based on the credit agreement governing the First Lien Exit Facility (the "**First Lien Exit Credit Agreement**") and with terms not more restrictive in any material respect than those provided for in the First Lien Exit Credit Agreement (with such modifications as are necessary or appropriate to reflect the terms set forth in this Second Lien Exit Facility Term Sheet and the nature of the Second Lien Exit Facility as a junior lien exit term loan facility, including, with respect to financial covenants and baskets, a reasonable cushion to be agreed to the financial covenants and baskets under the First Lien Exit Credit Agreement, and to reflect (i) administrative agency and operational matters of the Second Lien Exit Agent, (ii) EU and UK bail-in provisions, (iii) Delaware limited liability company division provisions, (iv) beneficial ownership certification, (v) QFC stay rules (as applicable) and (vi) other modifications (including (x) adjustments to dollar baskets and dollar thresholds for negative covenants, events of default and other threshold amounts and (y) additions of baskets and thresholds based on financial ratios) as may be reasonably agreed among the Second Lien Exit Agent, the Required Second Lien Exit Lenders and the Borrower), (b) security and guarantee documents based on the corresponding security and guarantee documents entered into in connection with the First Lien Exit Facility, and the Intercreditor Agreement (as defined herein) and (c) other legal documentation (collectively, together with the Second Lien Exit Credit Agreement, the security and guarantee documents and the Intercreditor Agreement, the "**Second Lien Exit Loan Documents**"), which Second Lien Exit Loan Documents shall be in form and substance consistent with the foregoing documentation principles and, subject to the consent provisions set forth in Section 3.02(c) of the Restructuring Supporting Agreement, otherwise satisfactory to the Second Lien Exit Agent, the Required Second Lien Exit Lenders and the Borrower; provided that notwithstanding the foregoing, (A) Intermediate HoldCo (as defined in the Restructuring Term Sheet), the Issuer (as defined in the Restructuring Term Sheet) and their respective subsidiaries (collectively, the "**Elk Hills Entities**") shall be "restricted" subsidiaries subject to, among other things, the representations and warranties, covenants and events of default under the Second Lien Exit Credit Agreement on terms to be agreed, (B) Intermediate HoldCo shall be a passive holding company and the Second Lien Exit Lenders shall have a first priority security interest in the equity interests of Intermediate Holdco and (C) the Borrower and the other Subsidiaries shall be restricted from making investments

	in, transferring assets to, incurring indebtedness funded by and otherwise entering into transactions with the Elk Hills Entities, subject to exceptions for transactions in the ordinary course of business to be agreed between the Required Second Lien Exit Lenders and the Borrower (collectively, the "**Second Lien Documentation Principles**")).
Collateral/Intercreditor Agreement	There will be granted to the Second Lien Exit Agent, for the benefit of the Second Lien Exit Lenders, valid and perfected second priority liens on, and security interests in, all existing and after-acquired assets and property (whether tangible, intangible, real, personal or mixed) of the Loan Parties that secure the Loan Parties' obligations under the First Lien Exit Facility, with customary exceptions and exclusions consistent with the First Lien Exit Credit Agreement and the security documents related thereto (the "**Collateral**"). An intercreditor agreement (the "**Intercreditor Agreement**") shall be entered into with the administrative agent under the First Lien Exit Facility, which shall provide, among other things, that the liens securing the Second Lien Exit Facility shall be subordinate and junior to the liens securing the First Lien Exit Facility, and contain other terms that are generally customary and appropriate for a first-second lien intercreditor agreement for facilities of these types.
Excluded/Unrestricted Subsidiaries	Usual and customary for exit term loan financings of this type for exploration and production companies in the current market, subject to qualifications and limitations for materiality consistent with the Second Lien Documentation Principles.
Representations and Warranties	Usual and customary for exit term loan financings of this type for exploration and production companies in the current market, subject to qualifications and limitations for materiality consistent with the Second Lien Documentation Principles.
Affirmative Covenants	Usual and customary for exit term loan financings of this type for exploration and production companies in the current market (including minimum hedging requirements substantially consistent with those under the First Lien Exit Facility), subject to exclusions, qualifications and limitations for materiality consistent with the Second Lien Documentation Principles, and which shall include a requirement to obtain and maintain ratings in respect of the Second Lien Exit Facility.
Negative Covenants	Usual and customary for exit term loan financings of this type for exploration and production companies in the current market, subject to exclusions, qualifications and limitations for materiality consistent with the Second Lien Documentation Principles, and which (a) will not restrict the payment of regularly scheduled obligations under the Elk Hill Power Agreements and regularly scheduled payments in respect of the Eligible Notes, (b) will permit the prepayment of the Eligible Notes subject to limitations to be reasonably agreed in the definitive documentation, (c) shall include restrictions on amendments and modifications to the Eligible Notes documentation on terms to be agreed and (d) shall include a customary anti-layering covenant.
Financial Covenants	The Second Lien Exit Facility shall contain financial covenants that are substantially consistent with the financial covenants under the First Lien Exit Facility, subject to the Second Lien Documentation Principles.
Events of Default	Usual and customary for exit term loan financings of this type for exploration and production companies in the current market, subject to materiality thresholds, exceptions and grace periods consistent with the Second Lien Documentation Principles.

Conditions Precedent to Closing and Funding	Usual and customary for exit term loan financings of this type and substantially consistent with the conditions precedent to closing and funding under the First Lien Exit Facility, including, without limitation: (a) all of the representations and warranties in the Second Lien Exit Loan Documents shall be true and correct in all material respects (or if qualified by materiality or material adverse effect, in all respects) as of the Emergence Date, or if any such representation or warranty relates to an earlier date, as of such earlier date; (b) no default or event of default under the Second Lien Exit Facility shall have occurred and be continuing or would result from the funding of the Second Lien Exit Term Loans on the Emergence Date; (c) delivery of a customary borrowing notice; and (d) the satisfaction of each of the conditions precedent listed on Annex I hereto. "**Emergence Date**" shall mean the date on which all conditions precedent listed above and in Annex I attached hereto shall have been satisfied.
Voting/Required Second Lien Exit Lenders	Amendments and waivers of the Second Lien Exit Facility will require the approval of Second Lien Exit Lenders holding more than 50% of the outstanding Second Lien Exit Term Loans (or, prior to the Emergence Date and the funding of the Second Lien Exit Term Loans, Second Lien Exit Lenders holding more than 50% of the aggregate amount of the Second Lien Exit Commitment) (the "**Required Second Lien Exit Lenders**"), subject to customary exceptions for certain provisions which shall require the consent of each affected Second Lien Exit Lender or all Second Lien Exit Lenders and customary protections for the Second Lien Exit Agent.
Assignments and Participations	Usual and customary for exit term loan financings of this type for exploration and production companies in the current market; provided that the reasonable consent of the Borrower shall be required for assignments of Second Lien Exit Term Loans, except for assignments (a) during the continuance of an event of default or (b) to another Second Lien Exit Lender or to an affiliate or an approved fund of a Second Lien Exit Lender; provided, further, that such consent shall be deemed to be given if the Borrower has not responded within ten (10) business days. The Borrower shall be permitted to repurchase Second Lien Exit Term Loans through open market purchase on a non-pro rata basis or Dutch auctions on a pro rata basis.
Other Provisions	The Second Lien Exit Loan Documents shall include customary provisions regarding increased costs, illegality, tax indemnities, waiver of trial by jury and other similar provisions.
Governing Law	The laws of the State of New York (except with respect to any mortgage or deed of trust, in each case with respect to which the governing law shall be the law of the state within which the properties subject to the applicable mortgage or deed of trust are located).
Counsel to the Second Lien Exit Lenders	Davis Polk & Wardwell LLP.

ADDITIONAL CONDITIONS TO CLOSING

The effectiveness of the Second Lien Exit Facility shall be subject to the satisfaction (or waiver by the Required Second Lien Exit Lenders) of each of the following additional conditions precedent:

1. A final non-appealable order of the Bankruptcy Court confirming the plan of reorganization approved by the proponents of such plan in accordance with the Restructuring Support Agreement (the "**Confirmation Order**"), which shall not have been stayed, reversed, vacated, amended, supplemented or otherwise modified and authorizing the Borrower to execute, deliver and perform under all documents contemplated under the Second Lien Exit Loan Documents shall have been entered and shall have become a final order of the Bankruptcy Court. Such plan of reorganization shall have been consummated substantially simultaneously with the closing of the Second Lien Exit Facility.

2. The execution and delivery by each of the Loan Parties of (i) the Second Lien Exit Loan Documents (including the Intercreditor Agreement (which may be in the form of an acknowledgement by the Loan Parties)), (ii) customary legal opinions, customary evidence of authorization, customary officer's certificates, good standing certificates (to the extent applicable) in the jurisdiction of organization of each Loan Party, (iii) a solvency certificate executed by the chief financial officer or other officer of equivalent duties and (iv) all documents and instruments required to create and perfect the Second Lien Exit Agent's security interests in the Collateral under the Second Lien Exit Facility which shall be, if applicable, in proper form for filing (it being understood and agreed that mortgages or amended mortgages may be provided within a number of days to be agreed after the Emergence Date).

3. The Second Lien Exit Agent and the Second Lien Exit Lenders shall have received such historical and pro forma financial information and projections to be agreed.

4. The Second Lien Exit Agent and the Second Lien Exit Lenders shall have received, at least three (3) business days prior to the Emergence Date, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act and, to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Borrower, that has been requested in writing by the Second Lien Exit Agent or a Second Lien Exit Lender at least five (5) business days prior to the Emergence Date.

5. All fees required to be paid to the Second Lien Exit Agent and the Second Lien Exit Lenders on the Emergence Date and reasonable and documented out-of-pocket expenses (including legal fees and expenses) required to be paid to or for the benefit of the Second Lien Exit Agent and/or the Second Lien Exit Lenders on the Emergence Date, to the extent invoiced at least three (3) business days prior to the Emergence Date, shall, upon the initial borrowing (or deemed borrowing) of the First Lien Exit Facility, have been paid.

6. All necessary governmental and third party approvals, consents, licenses and permits in connection with the Second Lien Exit Facility and the operation by the Borrower of its business shall have been obtained and remain in full force and effect.

7. As of the Emergence Date, there shall not be any litigation pending or known by the Loan Parties to be threatened against any Loan Party drawing into question any credit transaction contemplated by the Second Lien Exit Facility, or that could reasonably be expected to have a material adverse effect.

8. Since the date of approval of the disclosure statement with respect to the confirmed plan of reorganization, other than the Chapter 11 Cases, there shall not have occurred any event, change, occurrence

or circumstance that, individually or in the aggregate, has had or could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Loan Parties and their subsidiaries, taken as a whole.

9. The First Lien Exit Facility shall have become effective on terms and pursuant to loan documentation consistent with the terms described under the heading "First Lien Exit Facility" in the Second Lien Exit Facility Term Sheet to which this Annex I is attached and otherwise reasonably acceptable to the Required Second Lien Exit Lenders.

Annex D

Backstop Commitment Term Sheet

[See Attached]

CALIFORNIA RESOURCES CORPORATION CHAPTER 11 RESTRUCTURING

BACKSTOP COMMITMENT AGREEMENT TERM SHEET

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN (THE "PLAN") WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN AND IN THE RESTRUCTURING SUPPORT AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES HERETO.

This term sheet (this "Term Sheet"), which is Annex D to the Amended and Restated Restructuring Support Agreement dated July 24, 2020 (the "Restructuring Support Agreement"), by and among California Resources Corporation and the other parties thereto, describes the material terms relating to the BCA (as defined below) in connection with the restructuring (the "Restructuring") of California Resources Corporation, a company incorporated under the laws of Delaware (including, as applicable, Reorganized CRC (or an affiliate or successor), the "Company" and, together with its debtor affiliates, the "Debtors").

Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Restructuring Support Agreement and the Restructuring Term Sheet that is Exhibit A to the Restructuring Support Agreement (the "Restructuring Term Sheet").

BACKSTOP COMMITMENT AGREEMENT

Equity Rights Offering:	An Equity Rights Offering for shares of the New Common Stock (the "Rights Offering Shares") of Reorganized CRC (or an affiliate or successor), comprised of the Tranche A Equity Rights Offering (as defined below) and the Tranche B Equity Rights Offering (as defined below), at an aggregate purchase price of $450 million (the "Rights Offering Amount") at a price per share (the "Per Share Price") of $13.00 which constitutes a 35% discount to the Plan equity value of $1.65 billion for 42% of the fully diluted New Common Stock (excluding New Common Stock issued as the Backstop Commitment Premium (as defined below) prior to taking into account the Junior DIP Exit Fee and the MIP); *provided* that, if during the five trading days preceding the business day prior to the approval of the Disclosure Statement by the Court, the average closing price of the ICE Brent strip price for the period of December 2020 to November 2021 (to be determined by taking the arithmetic average of the 12 monthly contracts available for Brent Crude (ICE) as provided by Bloomberg, L.P. utilizing the ticker symbol COA COMDTY during the period from December 2020 to November 2021) is less than $40.00/Bbl, the Set-Up Equity Value for the Subscription Rights will be $1.3 billion (and the Per Share Price shall be adjusted accordingly). The Equity Rights Offering shall be implemented in connection with the Rights Offering Procedures (as defined below).

Tranche A Equity Rights Offering:

The "Tranche A Equity Rights Offering" shall mean an equity rights offering with an aggregate purchase price of $405 million (the "Tranche A Rights Offering Amount") at the Per Share Price, of which 37.5% shall be reserved (the "Tranche A Minimum Allocation") for certain Backstop Parties and the remaining 62.5% shall be offered to eligible holders of 2017 Term Loan Claims pursuant to the Plan as set forth in the Restructuring Term Sheet.

Tranche B Equity Rights Offering:

The "Tranche B Equity Rights Offering" shall mean an equity rights offering with an aggregate purchase price of $45 million (the "Tranche B Rights Offering Amount") at the Per Share Price, of which 50% shall be reserved (the "Tranche B Minimum Allocation" and, together with the Tranche A Minimum Allocation, the "Minimum Allocation") for certain Backstop Parties and the remaining 50% shall be offered to eligible holders of Deficiency/Unsecured Debt Claims (and, to the extent applicable, other general unsecured claims) pursuant to the Plan as set forth in the Restructuring Term Sheet.

Rights Offering Procedures:

Customary procedures for a rights offering (the "Rights Offering Procedures") including, as necessary, separate procedures for the Tranche A Equity Rights Offering and the Tranche B Equity Rights Offering, each of which may be bifurcated into Rights Offering Shares exempt from the registration requirements of the U.S. federal securities laws under Section 1145 of the Bankruptcy Code and Rights Offering Shares exempt from the registration requirements of the U.S. federal securities laws under Section 4(a)(2) of the Securities Act. There will be no oversubscription rights for the Equity Rights Offering.

The Rights Offering Procedures shall include that:

- The Subscription Commencement Date (as defined in the BCA) shall be a date determined by the Debtors with the consent of the Required Backstop Parties not more than 10 days after approval of the Disclosure Statement.
- The Subscription Record Date (as defined below) shall be the Subscription Commencement Date.
- The Subscription Expiration Deadline (as defined in the BCA) shall be 28 days after the Subscription Commencement Date.

Outside Date:

No later than 150 days after the Petition Date (the "Outside Date"), subject to extension by the Required Backstop Parties; *provided* that no Backstop Party's commitment may be extended to a date beyond 180 days after the Petition Date without its individual consent.

Backstop Parties:

In their capacities as Backstop Parties under the BCA (as defined below), certain of the Consenting Creditors (or their Related Funds) holding 2017 Term Loan Claims or Deficiency/Unsecured Debt Claims (the "Backstop Parties") that are signatories to the Restructuring Support Agreement and

whose Backstop Commitment Percentages, Minimum Allocations, Backstop Commitment Premium Amounts (as defined below), Allocation Adjustment Credits and Break Premium Amounts (as defined below) are set forth on Exhibit A attached hereto (the "Backstop Commitment Schedule").

Definitive Documentation:

The Backstop Parties and the Debtors shall enter into a backstop commitment agreement (the "BCA"), in form and substance consistent with this Term Sheet and otherwise reasonably acceptable to the Debtors and the Backstop Parties.

Commitment to Participate in the Equity Rights Offering:

Subject to the terms described herein, each Backstop Party hereby agrees to fully exercise all subscription rights issued to it pursuant to the Plan based on the amount of 2017 Term Loan Claims or Deficiency/Unsecured Debt Claims that such party owns as of a record date ("Subscription Record Date"), in the Equity Rights Offering to purchase Rights Offering Shares.

Backstop Commitment:

Subject to the terms described herein, each Backstop Party will commit (such commitment, the "Backstop Commitment") to purchase, on a several and not joint basis, and the Company will agree to sell to such Backstop Party, 100% of the Rights Offering Shares that are not purchased as part of the Equity Rights Offering (the "Backstop Shares") based on the percentages set forth in the Backstop Commitment Schedule (each, a "Backstop Commitment Percentage").

Backstop Commitment Premium:

The "Backstop Commitment Premium" shall mean a premium in an aggregate amount for all Backstop Parties equal to 10% of the Rights Offering Amount. The Backstop Commitment Premium shall be payable in shares of New Common Stock to each Backstop Party in the amount opposite the name of such Backstop Party on the Backstop Commitment Schedule (such Backstop Party's "Backstop Commitment Premium Amount").

The Company shall cause the Backstop Commitment Premium to be paid to the Backstop Parties in the applicable amounts set forth in the Backstop Commitment Schedule on the Plan Effective Date. Subject to Bankruptcy Court approval, the Backstop Commitment Premium shall constitute an allowed administrative expense of the Debtors' estates under Sections 503(b) and 507 of the Bankruptcy Code.

Allocation Adjustment Credit

The Backstop Commitment Schedule will provide for an "Allocation Adjustment Credit" in the aggregate amount of $3,890,604.52 to certain Backstop Parties on the *pro rata* basis set forth in the Backstop Commitment Schedule, which is generally based on the amount of Deficiency/Unsecured Debt Claims held thereby, but without giving effect to any Stipulated 2017 Deficiency Claims held thereby, and which may be applied by such Backstop Parties to pay a portion of the subscription price for their Minimum Allocation.

Transfer of Backstop Commitment: Each Backstop Party's Backstop Commitment shall be transferable in whole or in part to a Permitted Transferee (as defined below); *provided* that the transferring Backstop Party shall give notice of its intent to transfer its Backstop Commitment (other than to a Related Fund (as defined below) or any other Backstop Party), whether in whole or in part ("Backstop Transfer Notice"), to the Company and the non-transferring Backstop Parties and each such non-transferring Backstop Party shall have a right, but not an obligation, for a period of five (5) days following receipt of the Backstop Transfer Notice to purchase its *pro rata* share thereof based on the proportion of its Backstop Commitment to the aggregate amount of Backstop Commitments of all non-transferring Backstop Parties purchasing such transferring Backstop Party's Backstop Commitment, on the terms described in the Backstop Transfer Notice. If any non-transferring Backstop Party does not elect to purchase its full *pro rata* share of the Backstop Commitment offered in the Backstop Transfer Notice, then within five (5) days after the expiration of the initial five (5) day period, the transferring Backstop Commitment Party shall notify each non-transferring Backstop Commitment Party that elected to purchase its full *pro rata* share of the Backstop Commitment proposed to be transferred and each such non-transferring Backstop Commitment Party shall have a right, but not an obligation, for a period of five (5) days following receipt of such notice to purchase its *pro rata* share of such unsubscribed portion of the Backstop Commitments proposed to be transferred in such Backstop Transfer Notice based on the proportion of its Backstop Commitment to the aggregate amount of Backstop Commitments of all non-transferring Backstop Commitment Parties that exercise their respective rights to purchase such transferring Backstop Commitment Party's Backstop Commitment in full, on the terms described in the Backstop Transfer Notice. In the event that following the elections described above, the non-transferring Backstop Parties do not elect to purchase all of the Backstop Commitment offered in the Backstop Transfer Notice, the transferring Backstop Party shall have the right to complete such transfer to any such Permitted Transferee at a price no lower than the price set forth in the Backstop Transfer Notice and on other terms and conditions that are at least as favorable in the aggregate to such transferring Backstop Party as such other terms and conditions set forth in the Backstop Transfer Notice. Any third party Permitted Transferee of a Backstop Commitment shall agree in writing to be bound by the representations, warranties, covenants and obligations of such transferring Backstop Party under the BCA and the Restructuring Support Agreement and any Permitted Transferee (other than a Related Fund or any other Backstop Party) shall, as a condition of such transfer, provide the Company and the non-transferring Backstop Parties with evidence reasonably satisfactory to the Company that such transferee is reasonably capable of fulfilling such obligations, including such financial information as may reasonably be requested by the Company demonstrating the ability of such Permitted Transferee to fund the entire amount of its existing Backstop Commitment

plus the amount of the Backstop Commitment transferred to such Permitted Transferee.

A transfer of a Backstop Commitment to one or more Permitted Transferees shall also transfer a ratable portion of the transferring Backstop Party's Minimum Allocation, Backstop Commitment Premium Amount, Allocation Adjustment Credit and Break Premium Amount. The Company shall maintain an updated copy of the Backstop Commitment Schedule to reflect such transfers as occur from time to time.

"Permitted Transferee" means (i) a Related Fund, (ii) any other Backstop Party and (iii) any other person that is a party to the Restructuring Support Agreement or executes a joinder thereto with the consent (not to be unreasonably withheld, conditioned or delayed) of the Required Backstop Parties and the Company (including, as part of such joinder, making the necessary representations and warranties under the BCA); *provided* that absent such consent, such transferee shall be deemed a Permitted Transferee to the extent such proposed transferee deposits with the rights offering agent or escrow agent, pursuant to escrow arrangements satisfactory to the Company, an amount of funds sufficient, in the reasonable determination of the Company, to satisfy the transferring Backstop Party's obligations under the BCA.

Notwithstanding the foregoing, (i) a Backstop Party or any Affiliates thereof may assign its Backstop Commitment and Subscription Rights to any other Backstop Party without submitting a Backstop Transfer Notice or complying with the terms of the three preceding paragraphs, in which case such assigning Backstop Party shall notify the Company reasonably promptly and (ii) a Backstop Party or any Affiliates thereof may assign its Backstop Commitment and Subscription Rights to any fund, account (including any separately managed accounts) or investment vehicle that is controlled, managed, advised or sub-advised by such Backstop Party, an Affiliate thereof or the same investment manager, advisor or subadvisor as the Backstop Party or an Affiliate of such investment manager, advisor or subadvisor (each, a "Related Fund") without submitting a Backstop Transfer Notice or complying with the terms of the three preceding paragraphs, in which case such assigning Backstop Party shall notify the Company and the non-transferring Backstop Parties and such Related Fund transferee shall agree in writing to be bound by the representations, warranties, covenants and obligations of such transferring Backstop Party under the BCA and the Restructuring Support Agreement, shall make the representations set forth in Section 6 of the BCA as of the date of such transfer as if it was a Backstop Party, and shall, as a condition of such transfer, provide the Company and the non-transferring Backstop Parties with evidence reasonably satisfactory to the Company that such transferee is reasonably capable of fulfilling such obligations. Solely in the case of transfers to a Related Fund, the assigning

Backstop Party shall remain fully obligated for its Backstop Commitment (which, for the avoidance of doubt, includes such assigned amount).

Any transferee pursuant to the preceding two paragraphs shall be deemed a Backstop Party, subject to the terms of the BCA. Notwithstanding anything to the contrary set forth herein, the transfer of any Claims by any Backstop Party shall not have any effect on a Backstop Party's Backstop Commitment Percentage.

Furthermore, each Backstop Party shall have the right to designate by written notice to the Company no later than two (2) business days prior to the Plan Effective Date that some or all of the Rights Offering Shares, the Backstop Shares, shares issued pursuant to the Backstop Commitment Premium and unsubscribed shares (collectively, the "Backstop Party Shares") be issued in the name of, and delivered to, one or more of its Affiliates or Related Funds upon receipt by the Company of payment therefor in accordance with the terms hereof, which notice of designation shall (i) be addressed to the Company and signed by such Backstop Party and each such Affiliate or Related Fund, (ii) specify the number of Backstop Party Shares to be delivered to or issued in the name of such Affiliate or Related Fund and (iii) contain a confirmation by each such Affiliate or Related Fund of the accuracy of the necessary representations and warranties set forth in the BCA, as if such Affiliate or Related Fund was a Backstop Party.

Any transfer in violation of these transfer procedures shall be void *ab initio*; *provided* that a transfer shall not be void *ab initio* solely on account of a failure of a Backstop Party to provide the Company or the non-transferring Backstop Parties with the Backstop Transfer Notice.

Transfer of Subscription Rights: Other than as provided herein, Subscription Rights in the Equity Rights Offering are not separately transferable or detachable from Claims and may only be transferred together with the applicable Claims. Transfers of Claims shall not impact a Backstop Party's Backstop Commitment Percentage.

Funding Procedures: No later than five (5) business days following the subscription deadline for the Equity Rights Offering, the Company shall deliver a written notice to each Backstop Party of: (i) the number of Rights Offering Shares elected to be purchased and the aggregate purchase price therefor; (ii) the aggregate number of unsubscribed shares, if any, and the aggregate purchase price; (iii) the aggregate number of unsubscribed shares based upon such Backstop Party's Backstop Commitment Percentage to be issued and sold by the Company to such Backstop Party and the aggregate purchase price therefor (the "Funding Amount"); (iv) wire instructions for a segregated account (the "Account") established with an escrow agent or the rights offering agent reasonably acceptable to the Required Backstop Parties to which such Backstop Party shall deliver the Funding Amount; and (v) the estimated deadline for delivery of the Funding Amount which shall be no greater than

five (5) business days before the expected Plan Effective Date (the "Funding Deadline"). The Company shall cause an additional notice of the Funding Deadline to be provided after the Confirmation Order has been entered by the Bankruptcy Court; *provided* that the Funding Deadline shall be a minimum of five (5) business days after date of such notice (unless an earlier date is required to ensure the Funding Deadline is no more than three (3) business days before the expected Plan Effective Date).

Each Backstop Party shall deliver and pay its applicable Funding Amount by wire transfer in immediately available funds in U.S. dollars into the Account; *provided* that any Backstop Party with an Allocation Adjustment Credit may apply such credit in lieu of payment of a corresponding cash purchase price; *provided further* that any Backstop Party that is subject to the Investment Company Act of 1940 may deliver and pay its applicable Funding Amount by wire transfer in immediately available funds in U.S. dollars on the Plan Effective Date. If the BCA is terminated in accordance with its terms after such delivery, such funds shall be released to the Backstop Parties, without any interest accrued thereon, promptly following such termination.[1]

Backstop Party Default:

Any Backstop Party that fails to timely fund its Backstop Commitment by the Funding Deadline or to fully exercise all subscription rights held by it in the Equity Rights Offering after written notice thereof and a two-day opportunity to cure (a "Defaulting Backstop Party") will be liable for the consequences of its breach and the Company can enforce rights of money damages and/or specific performance upon the failure to timely fund by the Defaulting Backstop Party. Each Backstop Party that is not a Defaulting Backstop Party (each, a "Non-Defaulting Backstop Party") shall have the right, but not the obligation, to assume its Adjusted Commitment Percentage (or such other proportion as agreed by the Non-Defaulting Backstop Parties) of such Defaulting Backstop Party's Backstop Commitment. For this purpose, the "Adjusted Commitment Percentage" means, with respect to any Non-Defaulting Backstop Party, a fraction, expressed as a percentage, the numerator of which is the Backstop Commitment Percentage of such Non-Defaulting Backstop Party and the denominator of which is the aggregate Backstop Commitment Percentages of all Non-Defaulting Backstop Parties. If any Non-Defaulting Backstop Party does not elect to assume its full *pro*

[1] On the Plan Effective Date, the Junior DIP Facility shall be repaid in full in cash with the proceeds of the Equity Rights Offering and the Second Lien Exit Facility; *provided* that, for administrative convenience, at the direction and at the option of any Junior DIP Commitment Party that is also a Backstop Party or a Related Fund of any Backstop Party, all or any portion of the cash to be received by such Junior DIP Commitment Party on account of the principal amount of outstanding Junior DIP Obligations owed to it shall be set off or otherwise applied on a dollar for dollar basis towards the cash payment obligations of such Backstop Party or Related Fund under the BCA pursuant to such documentation as the Company may reasonably require to evidence the discharge of the applicable Junior DIP Obligations to the extent of the amounts so applied; *provided further* for the avoidance of doubt, that such obligations may be applied to satisfy the obligations of any Related Fund of such Backstop Party, at the option thereof.

rata share of the Backstop Commitment of the Defaulting Backstop Party, then each Non-Defaulting Backstop Party that assumed its full *pro rata* share of the Defaulting Backstop Party's Backstop Commitment shall have customary oversubscription rights to assume the unsubscribed portion of the Defaulting Backstop Party's Backstop Commitment.

Any Defaulting Backstop Party shall not be entitled to the Backstop Commitment Premium and the portion of the Backstop Commitment Premium otherwise payable to any Defaulting Backstop Party shall be paid *pro rata* to any Backstop Parties that assume all or a portion of the Defaulting Backstop Party's Backstop Commitment. All distributions of New Common Stock distributable to a Defaulting Backstop Party, including on account of the Backstop Commitment Premium, shall be either (i) to the extent assumed by Non-Defaulting Backstop Parties, re-allocated contractually and turned over as liquidated damages (including any Backstop Commitment Premium) to those Non-Defaulting Backstop Parties that have elected to subscribe for their full Adjusted Commitment Percentage or (ii) if not assumed by the Non-Defaulting Backstop Parties, forfeited and retained by the Company, as applicable.

Required Backstop Parties:

Backstop Parties holding at least 50.0% in aggregate amount of the Backstop Commitments of all Backstop Parties (excluding any Defaulting Backstop Parties and their corresponding Backstop Commitments) (the "Required Backstop Parties") shall have certain consent rights as specified herein and in the Restructuring Support Agreement.

Debtors' Representations and Warranties:

The BCA shall contain customary representations and warranties on the part of the Debtors, including:

- corporate organization and good standing;
- requisite corporate power and authority with respect to execution and delivery of transaction documents;
- due execution and delivery and enforceability of transaction documents;
- no Debtor is considering, or has any agreement or understanding with respect to, any Alternative Restructuring Proposal that has not been disclosed to the Backstop Parties;
- due issuance and authorization of New Common Stock;
- no consents or approvals (other than Bankruptcy Court approval);
- no conflicts; and
- other representations and warranties to be agreed upon by the Company and the Backstop Parties.

Backstop Parties' Representations and Warranties:

The BCA shall contain customary representations and warranties on the part of the Backstop Parties, to be provided severally and not jointly, including:

- corporate organization and good standing;

- requisite corporate power and authority with respect to execution and delivery of transaction documents;
- party to the Restructuring Support Agreement;
- due execution and delivery and enforceability of transaction documents;
- acknowledgement of no registration under the Securities Act;
- no consents or approvals;
- no conflicts;
- sufficiency of funds;
- no undisclosed agreement or understanding with any other Consenting Creditor with respect to the Plan or distributions to be received under the Plan;
- institutional accredited investor or qualified institutional buyer status and other customary private placement representations and warranties; and
- other representations and warranties to be agreed upon by the Company and the Backstop Parties.

Debtors' Covenants:

Customary covenants of the Debtors, including to:

- support the Restructuring, consistent with Restructuring Support Agreement;
- seek approval of the BCA;
- comply with securities laws and any blue sky law or similar compliance; and
- make any filings in connection with the BCA required by HSR and any other applicable antitrust laws or other applicable laws (and assist any Backstop Party in making any such filings).

Backstop Parties' Covenants:

Customary covenants of the Backstop Parties, including to:

- support the Restructuring, subject to the terms and conditions of Restructuring Support Agreement; and
- make any filings in connection with the BCA required by HSR and any other applicable antitrust laws.

Interim Operating Covenants:

Before and through the Plan Effective Date, except as set forth in the Restructuring Support Agreement, BCA or Plan or with the written consent of the Required Backstop Parties (not to be unreasonably withheld, conditioned or delayed), the Company shall, and shall cause its subsidiaries to, use commercially reasonable efforts to:

- operate their business in the ordinary course based on historical practices or otherwise reasonably acceptable to the Required Backstop Parties; and
- use commercially reasonable efforts to keep available the services of their current executive officers and employees and preserve its material relationships with customers, suppliers, lessors, licensors,

licensees, distributors and others having material business dealings with the Company or its subsidiaries.

Any of the following transactions require approval by the Required Backstop Parties, such approval not to be unreasonably withheld, conditioned or delayed, except for scheduled exceptions to be set forth in the BCA:

- any acquisition, merger with or other change of control of another business or any assets in excess of a threshold to be agreed;
- disposal of any assets with a value in excess of a threshold to be agreed;
- entry into, material amendment or termination of any Material Contract (to be defined in the BCA);
- termination of one or more contracts that, in the aggregate, results in a reduction of $25 million or more of the Company's revenue on an annualized basis;
- agreement to new employee compensation, new deferred compensation, severance arrangements or termination agreements unless required by contract or for non-executives in the ordinary course of business, in each case other than as contemplated by the Restructuring Support Agreement;
- significant non-maintenance capital expenditures (in an amount to be agreed) not contemplated by the applicable DIP budget; and
- other customary operating covenants to be mutually agreed.

Any of the following transactions require approval by the Required Backstop Parties:

- resolution of any claims or issues related to Elk Hills Power other than in a manner consistent with the Restructuring Support Agreement and the Restructuring Term Sheet; and

amendment, alteration, supplementation, restatement or other modification of any of the Elk Hills Power Agreements (or the course of dealing thereunder), other than as set forth in the Restructuring Support Agreement and the Restructuring Term Sheet.

Conditions Precedent: All Backstop Party conditions shall be subject to waiver by the Required Backstop Parties.

Conditions for Company and Backstop Parties:

- Entry of a confirmation order giving effect to the transactions contemplated by the Restructuring Term Sheet in form and substance reasonably acceptable to Required Backstop Parties ("Confirmation Order").
- The Confirmation Order shall have become a final and non-appealable order, which shall not have been stayed, reversed, vacated, amended,

supplemented or otherwise modified, unless waived by the Required Backstop Parties.

- All conditions to Confirmation Order and Plan satisfied or waived by the Required Backstop Parties, and Plan consistent with the Restructuring Support Agreement and Restructuring Term Sheet.
- Equity Rights Offering conducted and concluded as agreed in Rights Offering Procedures.
- All required HSR, antitrust and other specified regulatory approvals and consents obtained.
- The Plan Effective Date shall have occurred or shall be deemed to have occurred concurrently with the closing.
- No termination event has occurred under Section 10 of the Restructuring Support Agreement.

Conditions for Backstop Parties only shall include:

- Bringdown of Company's representations and warranties.
- Performance by Company of all covenants in all material respects.
- No MAE (as defined below).
- Restructuring Support Agreement shall have been assumed pursuant to the Confirmation Order, unless otherwise agreed or waived by the Required Backstop Parties.
- Exit financing that is consistent with the Exit Financing Terms.
- Other usual and customary conditions.

Conditions for Company only:

- Backstop Parties wire all funds.
- Bringdown of Backstop Parties' representations and warranties and material compliance with all covenants in the BCA.

MAE / MAC:

A material adverse effect ("MAE") on, and/or material adverse developments that would reasonably be expected to result in an MAE with respect to, (a) the business, operations, properties, assets or financial condition of the Company and its subsidiaries, in each case taken as a whole; or (b) the ability of the Company or any of its subsidiaries, taken as a whole, to perform their material obligations under the BCA, in the case of each of clauses (a) and (b), except to the extent arising from or attributable to the following (either alone or in combination): (i) the filing of the Chapter 11 Cases; (ii) any change after the date hereof in global, national or regional political conditions (including hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or material worsening of any such hostilities, acts of war, sabotage, terrorism, military actions existing or underway, acts of God or pandemics) or in the general business, market, financial or economic conditions affecting the industries, regions and markets in which the Debtors operate, including any change in the United States or applicable foreign economies or securities, commodities or financial markets, or force majeure events or "acts of God"; (iii) the price of oil and gas products or derivative products or the price of

power or other inputs or goods or services; (iv) COVID-19, (v) the filing of the Plan, Restructuring Support Agreement and the other documents contemplated thereby, or any action required by the Plan or Restructuring Support Agreement that is made in compliance with the Bankruptcy Code; (vi) any changes in applicable Law or generally accepted accounting principles in the United States; (vii) declarations of national emergencies in the United States or natural disasters in the United States; *provided* that the exceptions set forth in clauses (ii), (iii), (iv), (vi) and (vii) of this definition shall not apply to the extent that such described change has a disproportionately adverse impact on the Debtors, taken as a whole, as compared to other companies in the industries in which the Debtors operate.

No Shop and Alternative Restructuring Proposals:

No-shop provision not to directly or indirectly, through any Person, seek, solicit, propose, support, assist, engage in negotiations in connection with or participate in the formulation, preparation, filing, or prosecution of any Alternative Restructuring Proposal or object to or take any other action that would reasonably be expected to prevent, interfere with, delay, or impede the solicitation, approval of the Disclosure Statement, or the confirmation and consummation of the Plan and the Restructuring Transactions, in each case applicable to the Company and each Backstop Party.

Notwithstanding anything to the contrary in this Term Sheet, upon receipt of an Alternative Restructuring Proposal, each Company Party and their respective directors, managers, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives (including any Governing Body members) shall have the right to consider, consistent with their fiduciary duties, such Alternative Restructuring Proposal; *provided* that if any Company Party receives an Alternative Restructuring Proposal, then such Company Party shall (A) within one calendar day of receiving such proposal, notify the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors of the receipt of such proposal and deliver a copy of such proposal to the Ad Hoc Group Advisors and Ares Advisors; (B) provide the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors with regular updates as to the status and progress of such Alternative Restructuring Proposal; and (C) use commercially reasonable efforts to respond promptly to reasonable information requests and questions from the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors relating to such Alternative Restructuring Proposal.

If the Company Parties decide to file, support, make a written proposal or counterproposal to any party relating to an Alternative Restructuring Proposal, the Company Parties must provide notice to the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors and the Ares Advisors prior to taking any such action. Upon receipt of such notice, the Required Backstop Parties shall have the right to terminate the BCA.

Window Shop: The Company shall not enter into any confidentiality agreement with a party in connection with an Alternative Restructuring Proposal unless the Company notifies the Ad Hoc Group Advisors and the Crossover Ad Hoc Group Advisors prior to such entry into the non-disclosure agreement, as well as upon execution thereof.

Break Premium:

If the BCA is terminated for any reason, a premium in the aggregate amount of $22.5 million shall be paid in cash within ten (10) business days of such termination to each Backstop Party in the amount opposite the name of such Backstop Party on the Backstop Commitment Schedule (including any Expense Reimbursement (as defined below), such Backstop Party's "Break Premium Amount"); *provided* that (i) no Backstop Party shall be paid its Break Premium Amount if such Backstop Party is a Defaulting Backstop Party at the time of termination and such Defaulting Backstop Party's Break Premium Amount shall be forfeited and retained by the Company and (ii) no Break Premium shall be paid to any Backstop Party if the BCA or RSA shall have been terminated (A) by the Company or the Required Consenting Creditors in accordance with its terms as a result a material breach by one or more Backstop Parties constituting the Required Backstop Parties or (B) by the Required Consenting Creditors due to the failure of the Company to satisfy any of the Milestones set to occur prior to the Outside Date.

Expense Reimbursement:

The BCA to provide for payment to the Backstop Parties of all reasonable and documented Backstop Party expenses related to the Restructuring (including upon a Termination), to the extent not paid pursuant to the Restructuring Support Agreement or in connection with the Chapter 11 Cases or another order of the Bankruptcy Court, including all reasonable and documented expenses of financial, legal and other advisors, whether incurred before, on or after the date hereof (the "Expense Reimbursement"); *provided* that no success, transaction or similar fees shall be paid except to the extent set forth in written agreements approved by the Company.

Termination:

Customary termination events including the following:

a. Mutual written consent of the Company and Required Backstop Parties

b. By the Company upon:

1. Termination of the Restructuring Support Agreement in accordance with its terms other than due to a breach thereunder by the Company Parties;
2. The occurrence of any Termination Event set forth in Section 12.03 of the Restructuring Support Agreement;
3. Material breaches by Backstop Parties constituting Required Backstop Parties of representations, warranties, covenants and failure to cure;

4. The Bankruptcy Court denies entry of the Backstop Commitment Agreement Order (as defined in the BCA) or an order to assume the Restructuring Support Agreement, or the Backstop Commitment Agreement Order or any order approving the Restructuring Support Agreement is reversed, stayed, dismissed or vacated (unless otherwise agreed or waived by the Required Backstop Parties);
5. A failure to satisfy a Milestone or any other event or condition that could reasonably be expected to cause any condition precedent to commitments of the Backstop Parties not to be satisfied when required by the BCA (in each case other than as a result of any breach by a Company Party) and the Required Backstop Parties shall not have waived such condition precedent and otherwise provided adequate assurances of performance promptly (and in no event more than 10 days) after the occurrence of such event or condition;
6. Any Company Party providing notice to the Backstop Parties that its board of directors or similar governing body has determined in good faith that it is necessary or appropriate in the exercise of its fiduciary duties to terminate the BCA to pursue an Alternative Restructuring Proposal; or
7. The issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment or order enjoining the consummation of or rendering illegal the Restructuring, the Equity Rights Offering, or any material aspect of the transactions contemplated by the Restructuring Support Agreement or this Term Sheet.

c. By the Required Backstop Parties upon:

1. The termination of the Restructuring Support Agreement in accordance with its terms other than due to a breach thereunder by Backstop Parties constituting the Required Backstop Parties;
2. The occurrence of any Termination Event set forth in Section 12.01 of the Restructuring Support Agreement;
3. The issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment or order enjoining the consummation of or rendering illegal the Restructuring, the Equity Rights Offering, or any material aspect of the transactions contemplated by the Restructuring Support Agreement or this Term Sheet;
4. Material breach of no-shop provisions by the Company;
5. The Bankruptcy Court denies entry of the Backstop Commitment Agreement Order or enters the Confirmation Order without also entering the Backstop Commitment Agreement Order;

6. The Bankruptcy Court denies entry of the Backstop Commitment Agreement Order or an order to assume the Restructuring Support Agreement, or the Backstop Commitment Agreement Order or any order approving the Restructuring Support Agreement is reversed, stayed, dismissed or vacated (unless otherwise agreed or waived by the Required Backstop Parties);
7. Provided that the Company has complied with the "no shop" provisions described above, the Company Board reasonably determining in good faith based upon the advice of counsel that failing to enter into an Alternative Restructuring Proposal would be inconsistent with the exercise of its fiduciary duties under Delaware law; or
8. Material breaches of representations, warranties, covenants by the Company and failure to cure.

d. Automatically if the Plan Effective Date has not occurred by the Outside Date, unless the Outside Date is extended by the Required Backstop Parties.

Amendment / Waiver:

Each Backstop Party's prior written consent shall be required for any amendment that would have the effect of:

- increasing such Backstop Party's aggregate purchase price to be paid in respect of its Backstop Shares;
- modifying such Backstop Party's *pro rata* share of the Backstop Commitment Percentage, Backstop Commitment Premium, Break Premium, Tranche A Minimum Allocation, Tranche B Minimum Allocation or Allocation Adjustment Credit relative to the other Backstop Parties' *pro rata* share of the same; *provided* that after entry of the Backstop Commitment Agreement Order, any modification of the Backstop Commitment Percentage, Backstop Commitment Premium, Break Premium, Tranche A Minimum Allocation, Tranche B Minimum Allocation or Allocation Adjustment Credit shall require the consent of each affected Backstop Party;
- otherwise disproportionately (as compared to other Backstop Parties holdings Tranche A Minimum Allocations or Tranche B Minimum Allocations, as applicable) and materially adversely affect such Backstop Party; or
- changing any of the termination rights applicable to the Backstop Parties.

Any modification to the Backstop Commitment Percentage, the Backstop Commitment Premium, the Allocation Adjustment Credit or the Break Premium allocable to parties holding Tranche A Minimum Allocations shall require the consent of Backstop Parties holding at least 50% of the Tranche A Minimum Allocations.

Any modification to the Backstop Commitment Percentage, the Backstop Commitment Premium, the Allocation Adjustment Credit or the Break

Premium allocable to parties holding Tranche B Minimum Allocations shall require the consent of Backstop Parties holding at least 50% of the Tranche B Minimum Allocations, excluding all Backstop Parties holding both Tranche B Minimum Allocations and 2017 Term Loan Claims.

The terms of the Tranche A Equity Rights Offering (including the Tranche A Minimum Allocation) may only be amended (i) in writing signed by each Company Party and the Required Backstop Parties holding at least 50% of the Tranche A Minimum Allocations or (ii) by email by both counsel to the Company Parties, on the one hand and counsel to the Ad Hoc Group representing that they are acting with the authority of the Backstop Parties holding 50% of the Tranche A Minimum Allocations, on the other.

The terms of the Tranche B Equity Rights Offering (including the Tranche B Minimum Allocation) may only be amended (i) in writing signed by each Company Party and the Required Backstop Parties holding at least 50% of the Tranche B Minimum Allocations (excluding all Backstop Parties holding both Tranche B Minimum Allocations and 2017 Term Loan Claims) or (ii) by email by both counsel to the Company Parties, on the one hand and counsel to both the Crossover Ad Hoc Group and the Ad Hoc Group representing that they are acting with the authority of the Backstop Parties holding 50% of the Tranche B Minimum Allocations (excluding all Backstop Parties holding both Tranche B Minimum Allocations and 2017 Term Loan Claims), on the other.

Securities Law Matters: The Company shall use commercially reasonable efforts to provide that the Rights Offering Shares, the Backstop Shares and the Backstop Commitment Premium are exempt from the registration requirements of the U.S. federal securities laws under Section 1145 of the Bankruptcy Code to the extent, if any, permitted thereby or otherwise pursuant to Section 4(a)(2) of the Securities Act or another exemption promulgated thereunder. Any of the Rights Offering Shares, Backstop Shares and the Backstop Commitment Premium will be "restricted securities" subject to certain transfer restrictions under the U.S. federal securities laws unless sold pursuant to an exemption or a registration statement.

Specific Performance: Each of the Company and the Backstop Parties agree that irreparable damage would occur if any provision of the BCA were not performed in accordance with the terms thereof and that each of the parties thereto shall be entitled to an injunction or injunctions without the necessity of posting a bond to prevent breaches of the BCA or to enforce specifically the performance of the terms and provisions thereof and hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in the BCA or herein, no right or remedy described or provided in the BCA or herein is intended to be exclusive or to preclude a party thereto from pursuing other rights and remedies to the extent available under such agreement, herein, at law or in equity.

Confidentiality:	Confidentiality arrangements to be reasonably agreed for purposes of receiving confidential information as Backstop Parties under the BCA.
Other Provisions:	Such other covenants and agreements, mutually and reasonably agreed by the Company and the Backstop Parties, as are customary for backstop commitment agreements.
Governing Law / Jurisdiction:	New York law and, to the extent applicable, the Bankruptcy Code; Bankruptcy Court exclusive jurisdiction and jury trial waiver to be included.
Tax Treatment:	The Backstop Commitment Premium and the Break Premium shall be treated as a "put premium" paid to the Backstop Parties, for all U.S. federal income tax purposes (and, to the extent applicable, for state, local and non-U.S. tax purposes).

Exhibit A

Backstop Commitment Schedule

[*****]

Annex E

[Reserved]

Annex F

Governance Term Sheet

[See Attached]

CALIFORNIA RESOURCES CORPORATION
GOVERNANCE TERM SHEET

*This term sheet (this "**Term Sheet**") describes certain corporate governance provisions to be in effect after the Restructuring of California Resources Corporation and the other Company Parties. Capitalized terms used in this Term Sheet but not defined herein shall have the meanings set forth in the RSA and the Restructuring Term Sheet, as applicable, of which this Term Sheet forms a part.*

Reorganized Company	Reorganized CRC (the "**Company**") will be a Delaware corporation.
Capital Stock	One class of voting common stock (the "**New Common Stock**") and authorized but unissued "blank check" preferred stock, having such designations, preferences, limitations and relative rights, including preferences over the New Common Stock with respect to dividends and distributions, as the New Board may determine.
Board of Directors	The New Board to consist of nine directors initially composed of: (i) the chief executive officer of the Company; (ii) one director selected by Ares (not employed by or affiliated with Ares); (iii) one director selected by Fidelity (not employed by or affiliated with Fidelity); (iv) one director selected by GTAM (not employed by or affiliated with GTAM); and (v) the remaining directors selected by the Required Consenting Creditors. The Chairman shall (x) be an independent member of the New Board, (y) not be employed by or affiliated with Ares, Fidelity, GTAM or the Company and (z) shall be selected by the Required Consenting Creditors. After the Plan Emergence Date, the members of the New Board will be elected by the holders of the New Common Stock annually pursuant to a plurality voting standard.
Board Committees	On the Plan Emergence Date, the New Board shall constitute any committees required by the New York Stock Exchange and such other committees as the New Board approves. The Audit Committee shall review and approve all related party transactions pursuant to a customary related party transactions policy.
Transfer Restrictions	The New Common Stock will be transferrable without Company consent, subject to compliance with applicable securities laws. If requested by the Required Consenting Creditors before the Plan Effective Date, (a) the New Organizational Documents will include transfer restrictions designed to limit an "ownership change" for purposes of Section 382 of the U.S. Internal Revenue Code and/or (b) the Company will implement a stockholder rights plan designed for such purpose, in each case effective upon the Plan Effective Date.
Registration Rights	Each holder of at least 1% of the shares of New Common Stock outstanding on the Plan Effective Date to have customary registration rights for the New Common Stock to be provided for in a registration rights agreement (the "**RRA**") and, until such time as the New Common Stock is freely tradeable under Rule 144, each Backstop Party holding Tranche B Minimum Allocations will have customary piggyback registration rights.

Listing	Prior to the Plan Effective Date, the Company shall cause the New Common Stock to be listed on the New York Stock Exchange on the Plan Effective Date.
SEC Filings	The RRA will provide that at any time the Company is not required to file public reports with the SEC, the Company shall continue to file such public reports on EDGAR as a voluntary filer, unless approved by the holders of a majority of the outstanding shares of New Common Stock.
DTC	The New Common Stock is to be DTC-eligible, other than any shares of New Common Stock required to bear a "restricted" legend under applicable securities laws (which shall be in DTC under a restricted CUSIP if feasible, otherwise in book entry form). The Company shall use commercially reasonable efforts to remove any such restricted legends when permitted under applicable securities laws, including obtaining any necessary legal opinions. The Company shall provide certificated shares upon reasonable request.
280G Gross-Ups	The Company will not be party to any 280G gross-up arrangements as of the Plan Effective Date.
Other Terms	Consistent with Section 3.02 of the RSA, all other corporate governance terms, the New Organizational Documents and the RRA shall be in form and substance reasonably satisfactory to the Required Consenting Creditors, the Required Consenting Parties, the Company Parties and the Required Backstop Parties. The New Organizational Documents shall also provide for the indemnification and exculpation of directors, officers and appropriate persons to the fullest extent permitted by applicable law.

Annex G

Plan Releases and Exculpation

Releases by the Debtors

Notwithstanding anything contained herein to the contrary, to the fullest extent permitted by applicable law and approved by the Bankruptcy Court, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, effective on and after the Plan Effective Date, the Released Parties (defined below) shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, finally, and forever been released and discharged by the Debtors, the Reorganized Debtors and their estates, including any successors to the Debtors or any estates representatives appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other persons or entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, from any and all past or present Claims, Equity Interests, indebtedness and obligations, rights, suits, losses, damages, injuries, costs, expenses, causes of action, remedies, and liabilities whatsoever, including any derivative Claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, matured or unmatured, asserted or unasserted, suspected or unsuspected, accrued or unaccrued, fixed, contingent or noncontingent, pending or threatened, existing or hereafter arising, in law, equity, or otherwise, whether for tort, fraud, contract violations of federal or state laws or otherwise, those causes of action based on veil piercing or alter-ego theories of liability, contribution, indemnification, joint or several liability or otherwise that the Debtors, the Reorganized Debtors, their estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Equity Interest in, in a Debtor or other entity, or that any holder of any Claim against, or interest in, a Debtor or other Entity could have asserted on behalf of the Debtors, based on or relating to any act, omission, transaction, event, or other occurrence taking place on or prior to the Plan Effective Date (collectively, "Debtor Released Claims") based on or relating to, or in any manner arising from or in connection with, in whole or in part, the Debtors' (including the capital structure, management, ownership, or operation thereof), the Debtors' restructuring efforts, the Chapter 11 Cases, the Restructuring, 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 any Debtor and any Released Party, the restructuring of Claims and Equity Interests prior to or during the Chapter 11 Cases, the negotiation, formulation, or preparation of the Restructuring, the RSA, Plan, the Disclosure Statement, the Plan Supplement or any related agreements, instruments, or other documents, the pursuit of confirmation, any action or actions taken in furtherance of or consistent with the administration or implementation of the Plan or the distributions and related documents or other property under the Plan, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Plan Effective Date arising from or relating to any of

the foregoing other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a final order of a court of competent jurisdiction; *provided*, *however*, that the foregoing "Debtor Releases" shall not operate to waive, release or adversely impact any post-Plan Effective Date obligations of any party under the Plan, the Confirmation Order, any Restructuring Transaction, any Definitive Document, or any other document, instrument, or agreement (including those set forth in the Plan Supplement) executed or implemented in connection with or relating to the Plan, including the Exit Facilities Documents, or any claim or obligation arising under the Plan. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtors' release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Releases are: (a) in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the Restructuring and implementing the Plan; (b) a good faith settlement and compromise of the Claims released by the Debtor Releases; (c) in the best interests of the Debtors and their estates 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, the Reorganized Debtors, or the Debtors' estates asserting any Claim or cause of action released pursuant to the Debtor Releases.

"Released Parties" means: (a) the Company and Reorganized CRC; (b) the RBL Agent and RBL Lenders; (c) the Senior DIP Agent, Junior DIP Agent and DIP lenders; (d) the First Lien Exit Facility lenders and agent; (e) the Second Lien Exit Lenders and agent (f) the Consenting Creditors; (g) Ares; (h) Elk Hills Power; (i) the Non-Defaulting Backstop Parties; and (j) each of the foregoing's current and former Affiliates, and each such entity's and its current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their current and former officers, members, managers, directors, equity holders (regardless of whether such interests are held directly or indirectly), principals, members, employees, agents, managed accounts or funds, management companies, fund advisors, investment advisors, advisory board members, financial advisors, partners (including both general and limited partners), attorneys, accountants, investment bankers, consultants, representatives and other professionals and any and all other persons or entities that may purport to assert any cause of action derivatively, by or through the foregoing entities; *provided*, *however*, that any holder of a Claim or Equity Interest that opts out of the releases contained in, or otherwise objects to such releases in, the Plan shall not be a Released Party.

Releases by Holders of Claims and Interests

Notwithstanding anything contained herein to the contrary, to the fullest extent permitted by applicable law and approved by the Bankruptcy Court, pursuant to section 1123(b) of the

Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, effective on and after the Plan Effective Date, each Releasing Party (defined below) shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, finally, and forever released and discharged the Debtors and the other Released Parties, including any successors to the Debtors or any estates representatives appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other persons or entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, from any and all past or present Claims, Equity Interests, indebtedness and obligations, rights, suits, losses, damages, injuries, costs, expenses, causes of action, remedies, and liabilities whatsoever, including any derivative Claims, asserted or assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, matured or unmatured, asserted or unasserted, suspected or unsuspected, accrued or unaccrued, fixed, contingent or noncontingent, pending or threatened, existing or hereafter arising, in law, equity, or otherwise, whether for tort, fraud, contract violations of federal or state laws or otherwise, those causes of action based on veil piercing or alter-ego theories of liability, contribution, indemnification, joint or several liability or otherwise that such Releasing Party would have been legally entitled to assert (whether individually or collectively), based on or relating to any act, omission, transaction, event, or other occurrence taking place on or prior to the Plan Effective Date (collectively "Third-Party Released Claims") based on or relating to, or in any manner arising from or in connection with, in whole or in part, the Debtors (including the capital structure, management, ownership, or operation thereof), the Debtors' restructuring efforts, the Chapter 11 Cases, the Restructuring, 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 any Debtor or any other Released Party, on the one hand, and any Releasing Party, on the other hand, the restructuring of Claims and Equity Interests prior to or during the Chapter 11 Cases, the negotiation, formulation, or preparation of the Restructuring, the RSA, the Plan, the Disclosure Statement, the Plan Supplement or any related agreements, instruments, or other documents, the pursuit of confirmation, any action or actions taken in furtherance of or consistent with the administration or implementation of the Plan or the distributions and related documents or other property under the Plan, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Plan Effective Date arising from or relating to any of the foregoing other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a final order of a court of competent jurisdiction; *provided*, *however*, that the foregoing "Third-Party Releases" shall not operate to waive or release any post-Plan Effective Date obligations of any party under the Plan, the Confirmation Order, any Restructuring Transaction, and Definitive Document, or any other document, instrument, or agreement (including those set forth in the Plan Supplement) executed or implemented in connection with or relating to the Plan, including the Exit Facilities Documents, or any claim or obligation arising under the Plan. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy

Rule 9019, of the Third-Party Releases, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Releases are: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties; (d) a good faith settlement and compromise of the Claims released by the Third-Party Releases; (e) in the best interests of the Debtors and their estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to the Third-Party Releases.

"Releasing Parties" means: (a) any Released Party; (b) all holders of Claims or Equity Interests that are deemed to accept this Plan; (c) all holders of Claims or Equity Interests who either (i) vote to accept or (ii) receive or are deemed to receive a ballot but abstain from voting on this Plan; (d) all holders of Claims or Equity Interests entitled to vote who vote to reject this Plan that do not elect on their ballot to opt-out of the release granted pursuant to this Plan; (e) all other holders of Claims or Equity Interests to the extent permitted by law; and (f) each of the foregoing's current and former Affiliates, and each such entity's and its current and former Affiliates' current and former directors, managers, officers, principals, members, employees, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, agents, advisory board members, financial advisors, partners (including both general and limited partners), attorneys, accountants, investment bankers, investment advisors, consultants, representatives and other professionals, each in their capacity as such.

Exculpation

Except as otherwise specifically provided in the Plan or the Confirmation Order, no Exculpated Party (defined below) shall have or incur liability for, and each Exculpated Party shall be released and exculpated from, any Claims and causes of action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing or termination of the RSA and related prepetition transactions, the Disclosure Statement, the Plan, the DIP Facilities, the Plan Supplement, the Equity Rights Offering, or any Restructuring Transaction, contract, instrument release or other agreement or document (including any legal opinion requested by any entity regarding any transaction, contract, instrument, document or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion), including any Definitive Documentation, created or entered into before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the filing of the Chapter 11 Cases, the pursuit of confirmation, the administration and implementation of the Plan, including the issuance of or distribution of any securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Plan Effective Date, except for claims related to any act

or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct or gross negligence, but in all respects such entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

The Exculpated Parties have, and upon confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall 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 such distributions made pursuant to the Plan.

"Exculpated Parties" means: (a) the Company; (b) the RBL Agent and RBL Lenders; (c) the Senior DIP Agent, Junior DIP Agent and DIP lenders; (d) the First Lien Exit Facility lenders and agent; (e) the Second Lien Exit Lenders and agent; (f) the Consenting Creditors; (g) Ares; (h) Elk Hills Power; (i) the Non-Defaulting Backstop Parties; and (j) each of the foregoing's current and former Affiliates, and each such entity's and its current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their current and former officers, members, managers, directors, equity holders (regardless of whether such interests are held directly or indirectly), principals, members, employees, agents, managed accounts or funds, management companies, fund advisors, investment advisors, advisory board members, financial advisors, partners (including both general and limited partners), attorneys, accountants, investment bankers, consultants, representatives and other professionals.

Annex H

Interim DIP Order

[See Attached]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re	:	Chapter 11
CALIFORNIA RESOURCES CORPORATION, *et al*.,	:	Case No. 20-33568 (DRJ)
Debtors.	:	Jointly Administered

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) AUTHORIZING THE USE OF CASH COLLATERAL, (IV) GRANTING ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY AND (VI) GRANTING RELATED RELIEF

Upon the motion (the "Motion"),[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases"), seeking entry of an interim order (together with all annexes, schedules and exhibits hereto, this "Interim Order") and the Final Order (as defined below) pursuant to sections 105, 361, 362, 363(b), 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503, 506(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code"), and rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy

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1 The Debtors in these chapter 11 cases and the last four digits of their U.S. taxpayer identification numbers are: California Resources Corporation (0947); California Heavy Oil, Inc. (4630); California Resources Coles Levee, L.P. (2995); California Resources Coles Levee, LLC (2087); California Resources Elk Hills, LLC (7310); California Resources Long Beach, Inc. (6046); California Resources Mineral Holdings LLC (4443); California Resources Petroleum Corporation (9218); California Resources Production Corporation (5342); California Resources Production Mineral Holdings, LLC (9071); California Resources Real Estate Ventures, LLC (6931); California Resources Royalty Holdings, LLC (6393); California Resources Tidelands, Inc. (0192); California Resources Wilmington, LLC (0263); CRC Construction Services, LLC (7030); CRC Marketing, Inc. (0941); CRC Services, LLC (6989); Monument Production, Inc. (0782); Oso Verde Farms, LLC (7436); Socal Holding, LLC (3524); Southern San Joaquin Production, Inc. (4423); Thums Long Beach Company (1774); Tidelands Oil Production Company LLC (5764). The Debtors' corporate headquarters is located at 27200 Tourney Road, Suite 200, Santa Clarita, CA 91355.

2 All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Rules") and Rules 2002-1, 4001-1(b), 4002-1(i) and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Local Rules") and the Procedures for Complex Chapter 11 Bankruptcy Cases (the "Complex Case Procedures") promulgated by the United States Bankruptcy Court for the Southern District of Texas, providing, among other things:

(1) authorizing the Debtors to obtain debtor-in-possession financing in the aggregate principal amount of up to $1,133,010,655.62, consisting of:

(A) a senior secured superpriority debtor-in-possession revolving credit facility (the "Senior DIP Facility") in the aggregate principal amount of up to $483,010,655.62, consisting of (i) a $400,139,598.62 new money subfacility (the "Senior New Money Subfacility"), including $150,139,598.62 to deem the RBL Letters of Credit (as defined below) as being issued under the Senior New Money Subfacility and a sublimit of not more than $35,000,000 for additional letters of credit (together, the "DIP Letters of Credit"), and (ii) a $82,871,057.00 "roll-up" term loan subfacility (the "Senior Roll-Up Subfacility") (all extensions of credit, including the issuance or deemed issuance of DIP Letters of Credit, under the Senior DIP Facility, the "Senior DIP Loans") pursuant to the terms and conditions of this Interim Order and that certain Senior Secured Superpriority Debtor-In-Possession Credit Agreement substantially in the form attached hereto as Exhibit 1 (as amended, supplemented, restated, refunded, refinanced, replaced or otherwise modified from time to time in accordance with the terms thereof, the "Senior DIP Credit Agreement", and together with all agreements, commitment and fee letters, documents, instruments and certificates executed, delivered or filed in connection therewith, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, collectively, the "Senior DIP Loan Documents"), by and among California Resources Corporation, as borrower ("CRC" or the "Senior DIP Borrower"), each of the other Debtors, as guarantors (the "Senior DIP Guarantors"), JPMorgan Chase Bank, N.A. (or any successor or assign), as administrative agent and collateral agent (in such capacities, the "Senior DIP Agent"), JPMorgan Chase Bank, N.A., Bank of America, N.A. and Citibank, N.A. in their capacity as the issuing banks for DIP Letters of Credit (the "Senior Issuing Banks") and the financial institutions party thereto from time to time as lenders (the "Senior DIP Lenders", and together with the Senior DIP Agent, the Senior Issuing Banks and each other Secured Party (as defined in the Senior DIP Credit Agreement), the "Senior DIP Secured Parties"); and

(B) a junior secured superpriority debtor-in-possession term loan facility (the "Junior DIP Facility", together with the Senior DIP Facility, the "DIP Facilities") in the aggregate principal amount of $650,000,000 (all extensions of credit under the Junior DIP Facility, the "Junior DIP Loans", and together with the Senior DIP Loans, the "DIP Loans") pursuant to the terms and conditions of this Interim Order and that certain Junior Secured Superpriority Debtor-In-Possession Credit Agreement substantially in the form attached

hereto as Exhibit 2 (as amended, supplemented, restated, refunded, refinanced, replaced or otherwise modified from time to time in accordance with the terms thereof, the "Junior DIP Credit Agreement", and together with all agreements, commitment and fee letters, documents, instruments and certificates executed, delivered or filed in connection therewith, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, collectively, the "Junior DIP Loan Documents"; the Junior DIP Credit Agreement together with the Senior DIP Credit Agreement, the "DIP Credit Agreements", and the Junior DIP Loan Documents together with the Senior DIP Loan Documents, the "DIP Loan Documents"), by and among CRC, as borrower (the "Junior DIP Borrower", and together with the Senior DIP Borrower, the "DIP Borrowers"), each of the other Debtors, as guarantors (the "Junior DIP Guarantors", and together with the Senior DIP Guarantors, the "DIP Guarantors"), Alter Domus Products Corp. (or any successor or assign), as administrative agent (in such capacity, the "Junior DIP Agent", and together with the Senior DIP Agent, the "DIP Agents"), and the financial institutions party thereto from time to time as lenders (the "Junior DIP Lenders", and together with the Junior DIP Agent, and each other Secured Party (as defined in the Junior DIP Credit Agreement), the "Junior DIP Secured Parties"; the Junior DIP Lenders together with the Senior DIP Lenders, the "DIP Lenders", and the Junior DIP Secured Parties together with the Senior DIP Secured Parties, the "DIP Secured Parties");

(2) authorizing the Debtors to draw up to $266,139,598.62 of Senior DIP Loans under the Senior New Money Subfacility during the interim period pending entry of the Final Order to be used in accordance with this Interim Order and the Senior DIP Loan Documents, consisting of up to $85,000,000 for new money Senior DIP Loans, $150,139,598.62 of capacity to issue (or deemed to issue) DIP Letters of Credit to replace the RBL Letters of Credit and up to $31,000,000 to issue additional new DIP Letters of Credit to backstop surety bonds;

(3) authorizing the Debtors to fully draw $82,871,057.00 of Senior DIP Loans under the Roll-Up Subfacility on the closing date of the Senior DIP Facility and to use the proceeds thereof to refund, refinance, replace and repay $82,871,057.00 of the RBL Loans (as defined below);

(4) authorizing the Debtors to fully draw $650,000,000 of Junior DIP Loans under the Junior DIP Facility on the closing date of the Junior DIP Facility to repay $650,000,000 of the RBL Loans;

(5) authorizing the Debtors to issue DIP Letters of Credit, including deeming all of the RBL Letters of Credit to be DIP Letters of Credit issued under the Senior New Money Subfacility;

(6) authorizing the Debtors to execute and deliver to the DIP Secured Parties and perform under the DIP Credit Agreements and the other DIP Loan Documents and to perform such other and further acts as may be necessary or desirable in connection with the DIP Loan Documents;

(7) authorizing and directing the Debtors to incur and pay all DIP Obligations (as defined below), subject to the terms of the respective DIP Loan Documents and this Interim Order;

(8) granting each DIP Agent, for the benefit of itself and the other DIP Secured Parties for which it is the agent, and authorizing the Debtors to incur, valid, enforceable, non-avoidable, automatically and fully perfected priming liens on and security interests in all DIP Collateral (as defined below), including, without limitation, all Cash Collateral (as defined below), to secure the respective DIP Obligations, which liens and security interests shall be subject to the rankings and priorities set forth herein;

(9) granting to the Senior DIP Secured Parties and Junior DIP Secured Parties allowed superpriority administrative expense claims against each of the Debtors, on a joint and several basis, in respect of all Senior DIP Obligations and Junior DIP Obligations (each as defined below), respectively, as set forth herein, which claims shall be subject to the ranking and priorities set forth herein;

(10) authorizing the Debtors' use of the proceeds of the DIP Facilities and Cash Collateral, in each case solely in accordance with the Approved Budget (as defined below and subject to Permitted Variances (as defined below)), and subject to the terms and conditions set forth in this Interim Order and the DIP Loan Documents;

(11) providing adequate protection, as and to the extent set forth herein, to the Prepetition RBL Secured Parties, Prepetition FLMO Secured Parties, Prepetition FLLO Secured Parties and Prepetition Second Lien Secured Parties (each as defined below) for any Diminution in Value (as defined below) of their respective interests in the Prepetition Collateral (as defined below), including Cash Collateral;

(12) subject to the limitations set forth herein, approving certain stipulations by the Debtors with respect to the Prepetition RBL Credit Agreement, the Prepetition RBL Obligations, the Prepetition Senior Liens, the Prepetition FLMO Term Credit Agreement, the Prepetition FLMO Obligations, the Prepetition FLLO Term Credit Agreement, the Prepetition FLLO Obligations, the Prepetition FLLO Liens, the Prepetition Second Lien Indenture, the Prepetition Second Lien Note Obligations, the Prepetition Second Liens and the Prepetition Collateral (each as defined below);

(13) waiving the rights of the Debtors to surcharge the DIP Collateral or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code, subject to the provisions in paragraph 31 below;

(14) waiving the application of the "equities of the case" exception under section 552(b) of the Bankruptcy Code as to the Prepetition Secured Parties (as defined below) with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral, subject to the provisions in paragraph 32 below;

(15) waiving the equitable doctrine of "marshaling" and other similar doctrines as to the DIP Secured Parties and the Prepetition Secured Parties, subject to the provisions in paragraphs 33 and 34 below;

(16) modifying or vacating the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise to the extent necessary to implement and effectuate the terms and provisions of

this Interim Order and the DIP Loan Documents, and waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order, and providing for the immediate effectiveness of this Interim Order; and

(17) scheduling a final hearing (the "Final Hearing") to consider entry of a final order (the "Final Order") authorizing the relief requested in the Motion on a final basis, and approving the form of notice with respect to the Final Hearing, which order shall be in form and substance and on terms satisfactory in all respects to each DIP Agent.

The Court (as defined below) having considered the Motion, the DIP Loan Documents on file with the Court, the *Declaration of Todd A. Stevens in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* (the "Stevens First Day Declaration") and the *Declaration of Mark Rajcevich in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* (the "Rajcevich First Day Declaration" and together with the Stevens First Day Declaration, the "First Day Declarations"), the Declaration of Bruce Mendelsohn in support of the Motion (the "Mendelsohn Declaration"), the pleadings filed with the Court, and the evidence proffered or adduced at the interim hearing held on July 17, 2020 (the "Interim Hearing"); and notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 4001 and 9014 and all applicable Bankruptcy Local Rules and Complex Case Procedures; and all objections, if any, to the interim relief requested in the Motion having been withdrawn, resolved or overruled by the Court; and it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing, and otherwise is fair and reasonable and in the best interests of the Debtors, their estates and their creditors, represents a sound exercise of the Debtors' business judgment and is necessary for the continued operation of the Debtors' businesses; and upon the record of these Chapter 11 Cases; after due deliberation and consideration, and for good and sufficient cause appearing therefor:

IT IS HEREBY FOUND, DETERMINED, ORDERED AND ADJUDGED:[3]

A. *Petition Date*. On July, 15, 2020 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (this "Court") commencing these Chapter 11 Cases.

B. *Debtors-in-Possession*. The Debtors continue to manage and operate their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of the Chapter 11 Cases.

C. *Committee Formation*. As of the date hereof, the United States Trustee (the "U.S. Trustee") has not appointed an official committee of unsecured creditors in these Chapter 11 Cases (the "Committee").

D. *Jurisdiction and Venue*. The Court has jurisdiction, pursuant to 28 U.S.C. § 1334, over these proceedings, and over the persons and property affected thereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief set forth herein are sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code and Rules 2002, 4001, 6004 and 9014 of the Bankruptcy Rules and Rules 2002-1, 4001-1(b), 4002-1(i) and 9013-1 of the Bankruptcy Local Rules. Venue for these Chapter 11 Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

E. *Debtors' Stipulations*. In requesting the DIP Facilities, and in exchange for and as a material inducement to the DIP Lenders for their commitments to provide the respective DIP Facilities, and in exchange for and in recognition of the priming of the Prepetition Senior Liens, the Prepetition FLLO Liens and the Prepetition Second Liens (each as defined below), subject to paragraph 29 hereof, the Debtors hereby admit, stipulate, acknowledge and agree that:

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[3] Where appropriate in this Interim Order, findings of fact shall be construed as conclusions of law and vice versa pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

(i) *Prepetition RBL Facility*. Pursuant to the Credit Agreement, dated as of September 24, 2014 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition RBL Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined therein), collectively, the "Prepetition RBL Loan Documents") by and among (a) CRC, as borrower (the "RBL Borrower"), (b) the guarantors party thereto (together with the RBL Borrower, the "Prepetition RBL Loan Parties"), (c) JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Prepetition RBL Agent"), (d) the lenders party thereto (the "Prepetition RBL Lenders") and (e) the Letter of Credit Issuers party thereto (together with any other Secured Parties (as defined in the Prepetition RBL Credit Agreement), collectively, the "Prepetition RBL Secured Parties"), the Prepetition RBL Secured Parties provided revolving loans and other extensions of credit (the "RBL Loans") to the RBL Borrower, and the Letter of Credit Issuers issued letters of credit (the "RBL Letters of Credit") for the account of the RBL Borrower.

(ii) *Prepetition RBL Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition RBL Loan Parties were jointly and severally indebted to the Prepetition RBL Secured Parties in the aggregate principal amount of $732,871,057 on account of RBL Loans, *plus* $150,139,598.62 with respect to issued and outstanding RBL Letters of Credit, *plus* accrued but unpaid interest, fees and expenses *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition RBL Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition RBL Loan Documents (collectively, including any "Obligations" as provided solely in clause (a)(i) of the term "Obligations" in the Prepetition RBL Credit Agreement, the "Prepetition RBL Obligations").

(iii) *Prepetition First Lien Mid-Out Term Facility*. Pursuant to the Credit Agreement, dated as of November 17, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition FLMO Term Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined therein), collectively, the "Prepetition FLMO Term Loan Documents") by and among (a) CRC, as borrower (the "FLMO Term Loan Borrower"), (b) the lenders party thereto (the "Prepetition FLMO Term Loan Lenders", and together with any Secured Parties (as defined in the Prepetition FLMO Term Credit Agreement), collectively, the "Prepetition FLMO Secured Parties") and (c) The Bank of New York Mellon Trust Company N.A. ("BNYM"), as administrative agent (in such capacity, the "Prepetition FLMO Term Loan Agent"), the Prepetition FLMO Term Loan Lenders provided term loans (the "Prepetition FLMO Term Loans") and other financial accommodations to the FLMO Term LoanBorrower, which were guaranteed by the guarantors party to the Guarantee, dated as of November 17, 2017 (together with the FLMO Term Loan Borrower, the "Prepetition FLMO Term Loan Parties", and together with the Prepetition RBL Loan Parties, the "Prepetition Senior Loan Parties").

(iv) *Prepetition First Lien Mid-Out Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition FLMO Term Loan Parties were jointly and severally indebted to the Prepetition FLMO Term Loan Lenders in the aggregate principal amount of $1,300,000,000, *plus* accrued but unpaid interest, fees and expenses, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition FLMO Term Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition FLMO Term Loan Documents (collectively, including any Obligations (as defined in the Prepetition FLMO Term Credit Agreement), the "Prepetition FLMO Obligations").

(v) *Prepetition Senior Liens and Prepetition Senior Collateral*. Pursuant to (i) the Second Amended and Restated Security Agreement, dated as of November 17, 2017, (ii) the Amended and Restated Pledge Agreement, dated as November 17, 2017, and (iii) the other Security Documents (as defined in the Prepetition RBL Credit Agreement and the Prepetition FLMO Term Credit Agreement), in order to secure the Prepetition RBL Obligations and the Prepetition FLMO Obligations, the Prepetition Senior Loan Parties granted to BNYM, as collateral agent for each of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties (in such capacity, the "Prepetition Senior Secured Collateral Agent"), for the benefit of itself and the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties, properly perfected and continuing first-priority liens, mortgages and security interests (such interests the "Prepetition Senior Liens") in the Collateral (as defined in the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents) (collectively, the "Prepetition Collateral"); *provided*, that the term Prepetition Collateral does not include any Collateral (as defined in the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents) in which a lien, mortgage and security interest was not required to be (and was not as of the Petition Date) granted and perfected by the Prepetition RBL Loan Documents and the Prepetition FLMO Term Loan Documents, and which Collateral is not otherwise subject to a properly perfected lien, mortgage or security interest of the Prepetition Secured Parties.

(vi) *Collateral Agency Agreement*. The relative rights and remedies of the Prepetition RBL Secured Parties and the Prepetition FLMO Secured Parties in respect of the Prepetition Collateral and the relative priority of their rights to the proceeds of the Prepetition Collateral are governed by that certain Collateral Agency Agreement, dated as of November 17, 2017, by and among the Prepetition RBL Agent, the Prepetition FLMO Term Loan Agent and the Prepetition Senior Secured Collateral Agent, and the grantors party thereto (as amended, supplemented or otherwise modified from time to time, the "Collateral Agency Agreement"). Pursuant to the Collateral Agency Agreement, the Prepetition FLMO Term Loan Agent, on behalf of the Prepetition FLMO Secured Parties, agreed, among other things: (a) to subordinate the Prepetition FLMO Secured Parties' rights in the Prepetition Collateral (and proceeds thereof) to those of the Prepetition RBL Secured Parties; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted,

by the Prepetition RBL Secured Parties and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(vii) *Prepetition First Lien Last-Out Term Facility*. Pursuant to the Credit Agreement, dated as of August 12, 2016 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition FLLO Term Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including the Security Documents (as defined in the Prepetition FLLO Term Credit Agreement), collectively, the "Prepetition FLLO Term Loan Documents") by and among (a) CRC, as borrower (the "FLLO Term Loan Borrower"), (b) the lenders party thereto (collectively, the "Prepetition FLLO Term Loan Lenders", and together with the Secured Parties (as defined in the Prepetition FLLO Term Credit Agreement), the "Prepetition FLLO Secured Parties", and together with the Prepetition RBL Secured Parties and the Prepetition FLMO Secured Parties, the "Prepetition Senior Secured Parties") and (c) BNYM, as administrative agent and collateral agent (in such capacities, the "Prepetition FLLO Term Loan Agent"), the FLLO Term Loan Lenders provided term loans and other financial accommodations to the FLLO Term Loan Borrower, which were guaranteed by the guarantors party to the Guarantee, dated as of August 12, 2016 (together with the FLLO Term Loan Borrower, the "Prepetition FLLO Term Loan Parties").

(viii) *Prepetition First Lien Last-Out Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition FLLO Term Loan Parties were jointly and severally indebted to the Prepetition FLLO Term Loan Lenders in the aggregate principal amount of $1,000,000,000, *plus* accrued but unpaid interest, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the FLLO Term Loan Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition FLLO Term Loan Documents (collectively, including any Obligations (as defined in the Prepetition FLLO Term Credit Agreement), the "Prepetition FLLO Obligations", and together with the Prepetition RBL Obligations and Prepetition FLMO Obligations, the "Prepetition Senior Obligations").

(ix) *Prepetition FLLO Liens*. To secure the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Parties granted to BNYM, as Prepetition FLLO Term Loan Agent, for the benefit of itself and the Prepetition FLLO Secured Parties, properly perfected and continuing first-priority "last-out" liens, mortgages and security interests (collectively, the "Prepetition FLLO Liens") in the Prepetition Collateral. The Prepetition FLLO Liens are *pari passu* with the Prepetition Senior Liens, subject to the terms of the Pari Passu Intercreditor Agreement (as defined below).

(x) *Pari Passu Intercreditor Agreement*. The Prepetition RBL Agent, Prepetition FLMO Term Loan Agent and Prepetition FLLO Term Loan Agent are party to the Pari Passu Intercreditor Agreement, dated as of August 15, 2016 (as amended, supplemented or otherwise modified from time to time, the "Pari Passu Intercreditor Agreement"), which governs the relative rights and remedies of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties,

on the one hand, and the Prepetition FLLO Secured Parties, on the other hand, and the relative priority of their respective security interests in the Prepetition Collateral. Pursuant to the Pari Passu Intercreditor Agreement, the Prepetition FLLO Term Loan Agent, on behalf of the Prepetition FLLO Secured Parties, agreed, among other things: (a) to subordinate the Prepetition FLLO Secured Parties' rights in the Prepetition Collateral (and proceeds thereof) to those of the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted, by the Prepetition RBL Secured Parties and Prepetition FLMO Secured Parties and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(xi) *Prepetition Second Lien Notes*. CRC issued its 8.00% Senior Secured Second Lien Notes due 2022 (the "Prepetition Second Lien Notes") pursuant to that certain Indenture, dated as of December 15, 2015 (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition Second Lien Indenture", and together with all other agreements, documents, instruments and certificates executed or delivered in connection, collectively, the "Prepetition Second Lien Documents", and together with the Prepetition RBL Loan Documents, the Prepetition FLMO Term Loan Documents and the Prepetition FLLO Term Loan Documents, the "Prepetition Debt Documents"), by and among (a) CRC, as issuer (the "Second Lien Issuer"), (b) the guarantors party thereto (together with the Second Lien Issuer, the "Prepetition Second Lien Note Parties") and (c) BNYM, as trustee and collateral trustee (in such capacities, the "Prepetition Second Lien Collateral Trustee") for the equal and ratable benefit of the holders of notes issued pursuant thereto (the "Prepetition Second Lien Noteholders", and together with the Prepetition Second Lien Collateral Trustee, the "Prepetition Second Lien Secured Parties", and together with the Prepetition Senior Secured Parties, the "Prepetition Secured Parties").

(xii) *Prepetition Second Lien Note Obligations*. As of the Petition Date, without defense, counterclaim or offset of any kind, the Prepetition Second Lien Note Parties were jointly and severally indebted to the Prepetition Second Lien Noteholders in the aggregate principal amount of $1,809,000,000, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Prepetition Second Lien Documents, including, without limitation, principal, accrued and unpaid interest, premiums, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition Second Lien Documents (collectively, including any Obligations (as defined in the Prepetition Second Lien Indenture), the "Prepetition Second Lien Note Obligations", and together with the Prepetition RBL Obligations, the Prepetition FLMO Obligations and the Prepetition FLLO Obligations, the "Prepetition Obligations").

(xiii) *Prepetition Second Lien Collateral*. To secure the Prepetition Second Lien Note Obligations, the Second Lien Note Parties granted to the Prepetition Second Lien Collateral Trustee, for the benefit of itself and the Prepetition Second Lien Secured Parties, properly perfected and continuing junior-priority liens, mortgages and security interests (collectively, the "Prepetition

Second Liens", and together with the Prepetition Senior Liens and the Prepetition FLLO Liens, the "Prepetition Liens") in the Prepetition Collateral.[4]

(xiv) *Second Lien Intercreditor Agreement.* The Prepetition RBL Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee are party to that certain Intercreditor Agreement dated as of December 15, 2015 (as amended, supplemented or otherwise modified from time to time, the "Second Lien Intercreditor Agreement", and together with the Pari Passu Intercreditor Agreement and Collateral Agency Agreement, the "Intercreditor Agreements"). Pursuant to the Second Lien Intercreditor Agreement, the Prepetition Second Lien Collateral Trustee, on behalf of the Prepetition Second Lien Secured Parties agreed, among other things: (a) that the Prepetition Senior Liens and the Prepetition FLLO Liens on the Prepetition Collateral are senior in all respects to the Prepetition Second Liens; (b) to be bound by the waterfall and turnover provisions contained therein; and (c) to (I) consent to, or not oppose, certain actions taken, or rights asserted, by the Prepetition RBL Secured Parties, the Prepetition FLMO Secured Parties, and the Prepetition FLLO Secured Parties, and (II) refrain from taking certain actions with respect to the Prepetition Collateral, including in connection with a bankruptcy proceeding.

(xv) *Validity and Enforceability of Prepetition RBL Obligations and Prepetition Senior Liens*. (a) The Prepetition Senior Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition RBL Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Senior Liens are senior in priority over any and all other liens on the Prepetition Collateral (other than (x) liens expressly permitted to be senior to all Prepetition Senior Liens under the Prepetition RBL Credit Agreement, solely to the extent such permitted liens were existing, valid, enforceable, properly perfected and non-avoidable as of the Petition Date or that are perfected subsequent thereto as permitted by section 546(b) of the Bankruptcy Code (the "Permitted Prior Liens") and (y) the Prepetition FLLO Liens (which are *pari passu* with the Prepetition Senior Liens)); (c) the Prepetition RBL Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition RBL Loan Parties, enforceable in accordance with the terms of the Prepetition RBL Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims (as defined in the Bankruptcy Code), counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition RBL Obligations, the Prepetition RBL Loan Documents or the Prepetition Senior Liens and (B) assert any and all Claims or causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition RBL Secured Parties

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[4] For purposes of these stipulations, all references to Prepetition Collateral as to the Prepetition RBL Secured Parties, the Prepetition FLMO Secured Parties, the Prepetition FLLO Secured Parties and the Prepetition Second Lien Secured Parties excludes the "Excluded Property" as defined in each of the Prepetition RBL Credit Agreement, Prepetition FLMO Credit Agreement, Prepetition FLLO Credit Agreement and Prepetition Second Lien Indenture, respectively.

and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition RBL Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition RBL Loan Documents, the Prepetition Senior Liens or the Prepetition RBL Obligations, the Debtors' attempts to restructure the Prepetition RBL Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xvi) *Validity and Enforceability of Prepetition FLMO Obligations and Prepetition Senior Liens*. (a) The Prepetition Senior Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition FLMO Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Senior Liens are senior in priority over any and all other liens on the Prepetition Collateral (other than (x) Permitted Prior Liens and (y) the Prepetition FLLO Liens (which are *pari passu* with the Prepetition Senior Liens)); (c) the Prepetition FLMO Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition FLMO Term Loan Parties, enforceable in accordance with the terms of the Prepetition FLMO Term Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition FLMO Obligations, the Prepetition FLMO Term Loan Documents or the Prepetition Senior Liens and (B) assert any and all Claims, causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition FLMO Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition FLMO Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition FLMO Term Loan Documents, the Prepetition Senior Liens, the Prepetition FLMO Obligations, the Debtors' attempts to restructure the Prepetition FLMO Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim

Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xvii) *Validity and Enforceability of Prepetition FLLO Liens and Prepetition FLLO Obligations*. (a) The Prepetition FLLO Liens are valid, binding, enforceable, non-avoidable and properly perfected liens granted to, or for the benefit of, the Prepetition FLLO Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition FLLO Liens are *pari passu* with the Prepetition Senior Liens, subject to the Pari Passu Intercreditor Agreement, and senior in priority over any and all other liens on the Prepetition Collateral (other than any Permitted Prior Liens); (c) the Prepetition FLLO Obligations constitute legal, valid, binding and non-avoidable obligations of the Prepetition FLLO Term Loan Parties, enforceable in accordance with the terms of the Prepetition FLLO Term Loan Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Documents or the Prepetition FLLO Liens, respectively, and (B) assert any and all Claims, causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition FLLO Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition FLLO Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition FLLO Term Loan Documents, the Prepetition FLLO Liens, the Prepetition FLLO Obligations, the Debtors' attempts to restructure the Prepetition FLLO Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xviii) *Validity and Enforceability of Prepetition Second Liens and Prepetition Second Lien Note Obligations*. The Debtors acknowledge and agree that, as of the Petition Date: (a) The Prepetition Second Liens are valid, binding, enforceable, non-avoidable and properly perfected liens that were granted to, or for the benefit of, the Prepetition Second Lien Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (b) the Prepetition Second Liens are junior in priority to the Permitted Prior Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, and are subject to the Second Lien Intercreditor Agreement; (c) the Prepetition Second Lien Note

Obligations constitute legal, valid, binding and non-avoidable obligations of the Second Lien Note Parties, enforceable in accordance with the terms of the Prepetition Second Lien Documents; and (d) the Debtors and their estates hold no (and the Debtors hereby waive, discharge and release any) valid or enforceable Claims, counterclaims, causes of action, defenses or setoff rights of any kind, and forever and the Debtors irrevocably waive, discharge and release any right they may have to (A) challenge the validity, enforceability, priority, security, perfection and non-avoidability of any of the Prepetition Second Lien Note Obligations, the Prepetition Second Lien Documents or the Prepetition Second Liens, respectively, and (B) assert any and all Claims or causes of action, offsets, counterclaims, set off rights, objections, challenges, choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations, costs, expenses, judgments or defenses against the Prepetition Second Lien Secured Parties, and each of their respective former, current or future officers, directors, equityholders, members, partners, subsidiaries, affiliates, funds, managers, managing members, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents and other representatives, whether arising at law or in equity, including (without limitation) any claims arising from actions relating to any aspect of the relationship between the Prepetition Second Lien Secured Parties and the Debtors, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising out of, based upon or related to the Prepetition Second Lien Documents, the Prepetition Second Liens or the Prepetition Second Lien Note Obligations, the Debtors' attempts to restructure the Prepetition Second Lien Obligations, any of the Debtors' other long-term indebtedness, consenting to the terms of this Interim Order and the use of Cash Collateral hereunder, or any and all Claims and causes of action arising under the Bankruptcy Code as applicable.

(xix) *Cash Collateral*. All of the Debtors' cash existing on the Petition Date, wherever located (including, without limitation, any cash in deposit accounts of the Debtors or otherwise) constitutes cash collateral of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code to the extent that such cash constitutes Prepetition Collateral (subject in all respects to the Intercreditor Agreements) (the "Cash Collateral").

(xx) *No Control*. None of the Prepetition Secured Parties controls the Debtors or their properties or operations, has authority to determine the manner in which any of the Debtors' operations are conducted, or is a control person or insider of the Debtors or any of their affiliates by virtue of the actions taken with respect to, in connection with, related to, or arising from this Interim Order, the DIP Facilities, the DIP Loan Documents or the Prepetition Debt Documents.

F. *Findings Regarding Postpetition Financing*.

(i) *Request for Postpetition Financing*. The Debtors seek authority to (a) enter into the DIP Facilities on the terms described herein and in the DIP Loan Documents and (b) use Cash Collateral on the terms described herein and in the DIP Loan Documents in order to administer

the Chapter 11 Cases and fund their operations. At the Final Hearing, the Debtors will seek final approval of the DIP Loan Documents, the proposed postpetition financing arrangements, and use of Cash Collateral arrangements pursuant to the Final Order. Notice of the Final Hearing and Final Order will be provided in accordance with this Interim Order.

(ii) *Good Cause*. Good cause has been shown for entry of this Interim Order.

(iii) *Priming of Prepetition Liens.* The priming of the Prepetition Liens on the Prepetition Collateral under section 364(d)(1) of the Bankruptcy Code, as contemplated by this Interim Order and the DIP Facilities and as further described below, will enable the Debtors to obtain the DIP Facilities and to preserve and maximize the value of their estates to the benefit of their stakeholders. The Prepetition RBL Agent, on behalf of the Prepetition RBL Secured Parties, consents to the priming of the Prepetition Senior Liens as provided by and subject to the terms of this Interim Order and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; ***provided***, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition RBL Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents, (y) be construed as a consent by the Prepetition RBL Secured Parties to the terms of any other financing, other than the DIP Facilities, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition RBL Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition RBL Secured Parties. The Prepetition FLMO Term Loan Agent, on behalf of the Prepetition FLMO Secured Parties, has consented or (pursuant to the Collateral Agency Agreement) is deemed to consent to the priming of the Prepetition Senior Liens, the use of Cash

Collateral and the adequate protection pursuant to the DIP Facilities as provided in this Interim Order on the date hereof and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; *provided*, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition FLMO Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents as in effect on the date hereof, (y) be construed as a consent by the Prepetition FLMO Secured Parties to the terms of any other financing, other than the DIP Facilities as in effect on the date hereof, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition FLMO Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition FLMO Secured Parties. The Prepetition FLLO Term Loan Agent, on behalf of the Prepetition FLLO Secured Parties, has consented or (pursuant to the Pari Passu Intercreditor Agreement) is deemed to consent to the priming of the Prepetition FLLO Liens, the use of Cash Collateral and the adequate protection pursuant to the DIP Facilities as provided in this Interim Order on the date hereof and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; *provided*, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition FLLO Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents as in effect on the date hereof, (y) be construed as a consent by the Prepetition FLLO Secured Parties to the terms of any other financing, other than the DIP Facilities as in effect on the date hereof, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition

FLLO Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition FLLO Secured Parties. The Prepetition Second Lien Collateral Trustee, on behalf of the Prepetition Second Lien Secured Parties, has consented or (pursuant to the Second Lien Intercreditor Agreement) is deemed to consent to the priming of the Prepetition Second Liens, the use of Cash Collateral and the adequate protection provided in this Interim Order and the DIP Loan Documents and does not object to the adequate protection as provided in and subject to the terms of this Interim Order; *provided*, that nothing in this Interim Order or the DIP Loan Documents shall (x) be construed as the affirmative consent by the Prepetition Second Lien Secured Parties for the use of Cash Collateral other than on the terms set forth in this Interim Order and the DIP Loan Documents, (y) be construed as a consent by the Prepetition Second Lien Secured Parties to the terms of any other financing, other than the DIP Facilities, or any other lien encumbering the Prepetition Collateral other than the DIP Liens (whether senior or junior) or (z) prejudice, limit or otherwise impair the rights of the Prepetition Second Lien Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection, or to assert the interests of any of the Prepetition Second Lien Secured Parties;.

(iv) *Immediate Need for Postpetition Financing and Use of Cash Collateral.* The Debtors' need to use Cash Collateral and to obtain credit pursuant to the Senior DIP Facility as provided for herein is immediate and necessary to avoid serious and irreparable harm to the Debtors, their estates, their creditors and other parties-in-interest, and to enable the Debtors to, among other things, fund the costs of these Chapter 11 Cases, make payroll and satisfy other working capital and general corporate purposes, administer and preserve the value of their estates. The Debtors'

need to obtain credit pursuant to the Junior DIP Facility to refinance the Prepetition RBL Obligations is a critical requirement to permit the Debtors to obtain financing under the Senior DIP Facility insofar as the Senior DIP Lenders have informed the Debtors that they will not make the Senior DIP Facility available without such refinancing. Repayment in full of the Prepetition RBL Obligations with the initial proceeds of the DIP Loans is appropriate because (i) the aggregate value of the Prepetition Collateral securing the Prepetition RBL Obligations exceeds the aggregate amount of the Prepetition RBL Obligations, (ii) the Prepetition RBL Lenders' senior liens and over-secured claims effectively preclude a non-consensual priming debtor-in-possession or exit financing facility and will require the payment in full of the Prepetition RBL Obligations in connection with these Chapter 11 Cases, (iii) it is a condition to closing the Senior DIP Credit Agreement, which provides liquidity to fund these Chapter 11 Cases and working capital during these Chapter 11 Cases, that the initial proceeds of the DIP Loans be used to repay the Prepetition RBL Obligations so that the Debtors' assets that secure the Prepetition RBL Obligations on a first lien basis will be available to secure on a priming lien basis the Senior DIP Obligations, and (iv) the Restructuring Support Agreement[5] among the Debtors and the Consenting Creditors (as defined therein) requires the Debtors to use the initial proceeds from the DIP Loans to repay Prepetition RBL Obligations and the failure to make such payment would give the Consenting Creditors the right to terminate the Restructuring Support Agreement. The ability of the Debtors to finance their operations, maintain business relationships with their vendors and suppliers, and pay their employees requires the availability of working capital from the Senior DIP Facility and the use of Cash Collateral. The Debtors' inability to access the interim financing under the DIP Facilities and use Cash Collateral

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5 "Restructuring Support Agreement" refers to that certain Restructuring Support Agreement, dated as of July 15, 2020, by and among CRC and each of its affiliates party thereto, the Consenting 2016 Term Loan Lenders, the Consenting 2017 Term Loan Lenders, the Consenting Second Lien Noteholders, and Ares.

will immediately and irreparably harm the Debtors, their estates, their creditors, and the Debtors' chances to successfully reorganize. The Debtors do not have sufficient available sources of unencumbered working capital and financing to operate their businesses or maintain their properties in the ordinary course of business without the DIP Facilities and authorized use of Cash Collateral. The terms of the DIP Facilities, the DIP Loan Documents and this Interim Order are fair and reasonable, reflect the Debtors' exercise of sound business judgment and are supported by reasonably equivalent value.

(v) *No Credit Available on More Favorable Terms.* The DIP Facilities are the best sources of debtor-in-possession financing available to the Debtors. Given their current financial condition, financing arrangements, and capital structure, the Debtors have been unable to obtain financing from sources other than the DIP Lenders on terms more favorable than those provided under the DIP Facilities and the DIP Loan Documents. The Debtors have been unable to obtain sufficient unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. The Debtors also have been unable to obtain sufficient credit (a) having priority over administrative expenses of the kind specified in sections 503(b), 507(a) and 507(b) of the Bankruptcy Code, (b) secured by a lien on property of the Debtors and their estates that is not otherwise subject to a lien, or (c) secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. Postpetition financing is not otherwise available without granting each DIP Agent, for the benefit of itself and the respective DIP Secured Parties: (1) the DIP Liens (as defined below) on all DIP Collateral, as set forth herein; (2) the Superpriority DIP Claims (as defined below); and (3) the refinancing of the Prepetition RBL Obligations as set forth herein and the other protections set forth in this Interim Order. After considering all alternatives, the Debtors have properly concluded, in the exercise of their sound business judgment, that the DIP Facilities

represent the best financing available to them at this time, and is in the best interests of all of their stakeholders.

(vi) *Use of Proceeds of the DIP Facilities and Cash Collateral.* As a condition to entry into the DIP Credit Agreements, the extension of credit under the DIP Facilities and the authorization to use Cash Collateral (including, without limitation, the proceeds of the DIP Facilities), the DIP Agents, the DIP Lenders, and the Prepetition Secured Parties require, and the Debtors have agreed, that Cash Collateral and the proceeds of the DIP Facilities shall be used only in a manner consistent with the terms and conditions of the DIP Loan Documents and this Interim Order (including to refund, refinance, replace and repay the RBL Loans and to reimburse any drawn amount of the DIP Letters of Credit), and solely in accordance with the Approved Budget (subject to Permitted Variances).

G. *Adequate Protection*. The Prepetition Secured Parties have consented, or have been deemed to consent, as applicable, to the subordination of their respective liens to the DIP Liens nd the Carve Out, and the Prepetition Secured Parties have agreed, or have been deemed to agree, to permit the Debtors' use of Prepetition Collateral (including Cash Collateral), in each case, in accordance with and subject to the terms hereof, the Approved Budget (subject to Permitted Variances) and the DIP Loan Documents. Subject to the Intercreditor Agreements, the Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363, 364 and 507 of the Bankruptcy Code, to adequate protection against the diminution in value of their respective interests in the Prepetition Collateral (including Cash Collateral) for any reason provided for and allowed by the Bankruptcy Code (collectively, the "Diminution in Value"), including, without limitation, any diminution resulting from the sale, lease or use by the Debtors of the Prepetition Collateral, the priming of the Prepetition Liens by the DIP Liens pursuant to the DIP Documents and this Interim

Order, the payment of any amounts under the Carve Out or pursuant to this Interim Order, the Final Order or any other order of the Court or provision of the Bankruptcy Code or otherwise, and the imposition of the Automatic Stay.

H. *Sections 506(c), 552(b), and Waiver of Marshaling*. As a material inducement to the DIP Lenders to agree to provide the DIP Facilities, and in light of (a) the DIP Secured Parties' agreement to subordinate their liens and superpriority claims to the Carve Out to the extent set forth herein, and (b) the Prepetition Secured Parties' agreement to (i) subordinate the Prepetition Liens and the Adequate Protection Liens (as defined below) to the DIP Liens, the Superpriority DIP Claims and the Carve Out (to the extent provided herein), and (ii) consent to the use of Cash Collateral in accordance with and subject to the Approved Budget (subject to Permitted Variances), the DIP Loan Documents and the terms of this Interim Order: (a) the DIP Agents, the DIP Lenders and the Prepetition Secured Parties are each entitled to receive a waiver of (x) the provisions of section 506(c) of the Bankruptcy Code and (y) application of the equitable doctrine of marshaling and other similar doctrines; and (b) the Prepetition Secured Parties are each entitled to receive a waiver of any "equities of the case" exceptions or claims under section 552(b) of the Bankruptcy Code, in each case, subject to the terms and conditions set forth in this Interim Order;

I. *Good Faith of the DIP Agents and the DIP Lenders*.

(i) *Willingness to Provide Financing*. The DIP Secured Parties have indicated a willingness to provide postpetition financing to the Debtors subject to, among other things: (a) the entry by the Court of this Interim Order and the Final Order; (b) approval by the Court of the terms and conditions of the DIP Facilities and the DIP Loan Documents; and (c) entry of findings by the Court that such financing is essential to the Debtors' estates, that the DIP Agents and the DIP Secured Parties are extending postpetition credit to the Debtors pursuant to the DIP Loan Documents and

this Interim Order in good faith, and that the DIP Agents' and DIP Secured Parties' claims, superpriority claims, security interests and liens and other protections granted pursuant to this Interim Order and the DIP Loan Documents will have the protections provided in section 364(e) of the Bankruptcy Code and will not be affected by any subsequent reversal, modification, vacatur, amendment, reargument or reconsideration of this Interim Order or any other order.

(ii) *Business Judgment and Good Faith Pursuant to Section 364(e)*. The terms and conditions of the DIP Facilities, including the extension of credit, the fees, and other amounts paid and to be paid thereunder, and the Cash Collateral arrangements described therein and herein: (a) are fair and reasonable; (b) are the best available to the Debtors under the circumstances; (c) reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties; and (d) are supported by reasonably equivalent value and fair consideration. The DIP Facilities and the use of Cash Collateral were negotiated in good faith and at arms' length among the Debtors, the DIP Agents, the DIP Secured Parties and the applicable Prepetition Secured Parties. The credit to be extended under the DIP Facilities shall be deemed to have been so advanced, made, used and/or extended in good faith, and for valid business purposes and uses, within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Agents and the DIP Secured Parties are therefore entitled to the protection and benefits of section 364(e) of the Bankruptcy Code and this Interim Order.

J. *Notice*. Notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by the Debtors, whether by email, facsimile, overnight courier or hand delivery, to certain parties-in-interest, including: (a) the U.S. Trustee; (b) the Debtors' 30 largest unsecured creditors (on a consolidated basis), (c) those persons who have formally appeared in

these chapter 11 cases and requested service pursuant to Bankruptcy Rule 2002; (d) the Securities and Exchange Commission; (e) the Internal Revenue Service; (f) all other applicable government agencies to the extent required by the Bankruptcy Rules or the Bankruptcy Local Rules; (g) counsel to the Senior DIP Agent; (h) counsel to the Junior DIP Agent; (i) counsel to the ad hoc group of Prepetition FLMO Secured Parties and Prepetition FLLO Secured Parties (which includes as members the Junior DIP Lenders) (the "Ad Hoc First Lien Group"); (j) counsel to the ad hoc group of Prepetition Second Lien Noteholders; (k) counsel to the Prepetition RBL Agent; (l) counsel to the Prepetition FLMO Term Loan Agent; (m) counsel to the Prepetition FLLO Term Loan Agent; (n) counsel to the Prepetition Second Lien Collateral Trustee; and (o) all other known parties with liens of record on assets of the Debtors as of the Petition Date (collectively, the "Notice Parties"). The Debtors have made reasonable efforts to afford the best notice possible under the circumstances and such notice is good and sufficient to permit the interim relief set forth in this Interim Order.

K. *Necessity of Immediate Entry*. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent entry of this Interim Order, the Debtors' businesses, properties and estates will be immediately and irreparably harmed. The Court concludes that entry of this Interim Order is in the best interest of the Debtors' estates and creditors.

NOW THEREFORE, based upon the foregoing findings and conclusions, the Motion, the First Day Declarations, the Mendelsohn Declaration and the record made before the Court with respect to the Motion at the Interim Hearing and otherwise, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, THAT:

1. Motion Approved. The Motion is hereby granted on an interim basis, on the terms and conditions set forth in this Interim Order and the DIP Loan Documents. All formal and informal objections to the interim relief sought in the Motion or to the entry of this Interim Order, to the extent not withdrawn or resolved, and all reservation of rights included therein, are hereby overruled.

2. Authorization of the DIP Facilities.

(a) Each DIP Facility is hereby approved. The Debtors are hereby expressly and immediately authorized and empowered (a) to establish the Senior DIP Facility and the Junior DIP Facility, (b) to execute, deliver and perform under the Senior DIP Loan Documents and the Junior DIP Loan Documents, and to borrow, incur, guarantee (as applicable), perform and pay the Senior DIP Obligations and the Junior DIP Obligations and create and grant the DIP Liens in the DIP Collateral in favor of the Senior DIP Agent for the benefit of the Senior DIP Secured Parties and in favor of the Junior DIP Agent for the benefit of the Junior DIP Secured Parties, in each case, in accordance with and subject to the terms of this Interim Order, the Approved Budget (subject to Permitted Variances) and the Senior DIP Loan Documents and Junior DIP Loan Documents, as applicable, (c) to execute, deliver and perform under any and all other instruments, certificates, agreements and documents which may be requested by either DIP Agent or the DIP Secured Parties, and (d) to take any and all other actions, which may be required, necessary or prudent for the performance by the applicable Debtors under the Senior DIP Facility, the Junior DIP Facility, the Senior DIP Loan Documents or the Junior DIP Loan Documents, the creation and perfection of the DIP Liens or to implement any of the transactions contemplated by the Senior DIP Loan Documents, the Junior DIP Loan Documents or this Interim Order. Without limiting the foregoing, the Debtors are hereby authorized and directed to pay, in accordance with this Interim Order (subject to paragraph 22(c) hereof), all Senior DIP Obligations and Junior DIP Obligations, which amounts are hereby

approved, shall not be subject to further approval of this Court and shall be non-refundable and not subject to challenge in any respect. Upon execution and delivery, the Senior DIP Loan Documents and the Junior DIP Loan Documents shall represent valid and binding obligations of the Debtors, enforceable against each of the Debtors and their estates, and the Senior DIP Obligations and Junior DIP Obligations shall be due and payable, in each case, in accordance with the terms of this Interim Order (subject to paragraph 22(c) hereof) and the Senior DIP Loan Documents and Junior DIP Loan Documents, respectively.

(b) For purposes hereof, the term "Senior DIP Obligations" means all "Obligations" (or any similar term that has a comparable meaning) as defined in the Senior DIP Credit Agreement, and shall include, without limitation, principal, interest, fees, costs, premiums, original issue discount, expenses, charges, prepayment premiums or similar amounts, any obligations in respect of indemnity claims, whether contingent or absolute, or any other amounts that are or may become due under the Senior DIP Loan Documents, including the Commitment Letter and the Fee Letter, in each case, whether or not such obligations arose before or after the Petition Date, as such amounts become earned, due and payable under the Senior DIP Loan Documents, without the need to obtain further Court approval. For purposes hereof, the term "Junior DIP Obligations" means all "Obligations" (or any similar term that has a comparable meaning) as defined in the Junior DIP Credit Agreement, and shall include, without limitation, principal, interest, fees, costs, premiums, original issue discount, expenses, charges, prepayment premiums or similar amounts, any obligations in respect of indemnity claims, whether contingent or absolute, or any other amounts that are or may become due under the Junior DIP Loan Documents whether or not such obligations arose before or after the Petition Date, as such amounts become earned, due and

payable under the Junior DIP Loan Documents, without the need to obtain further Court approval. The rights and remedies, and priority of payments, as between the Senior DIP Obligations and the Junior DIP Obligations are set forth in this Interim Order, which provisions shall govern notwithstanding anything to the contrary in any Senior DIP Loan Documents or Junior DIP Loan Documents. For purposes hereof, the term "DIP Obligations" means the Senior DIP Obligations and the Junior DIP Obligations.

(c) All outstanding RBL Letters of Credit are hereby deemed reissued as DIP Letters of Credit under the Senior DIP Facility.

(d) In addition, the Debtors shall pay to each Junior DIP Lender an Exit Premium (the "Exit Premium") in an amount equal to 2.50% of the aggregate principal amount of such Junior DIP Lender's allocated share of the Junior DIP Facility commitments in effect on the closing date of the Junior DIP Facility (the "Junior DIP Facility Closing Date") (prior to the funding the loans thereunder), which Exit Premium shall be payable by the Debtors in common stock of the reorganized Debtors solely on the effective date of the Plan (as defined in the Restructuring Support Agreement) at a price per share corresponding to the Set-Up Equity Value (as defined in the Restructuring Support Agreement); *provided* that the Exit Premium shall be payable without prejudice to Ares' rights under the Restructuring Support Agreement; and *provided further* that no Exit Premium shall be payable by the Debtors unless the Restructuring Support Agreement has been executed and delivered by both of (a) each Junior DIP Lender holding 2017 Term Loan Claims (as defined in the Restructuring Support Agreement) and (b) the holders of at least two-thirds in principal amount of the Deficiency/Unsecured Debt Claims (as defined in the Restructuring Support Agreement). The Exit Premium shall be deemed fully earned on the Junior DIP Facility Closing Date and payable on the effective date of the Plan (as defined in the Restructuring Support Agreement) but shall not

be payable in any circumstance other than on the Plan Effective Date (as defined in the Restructuring Support Agreement). Notwithstanding any contrary provision of this Order, any party in interest may request reconsideration of the authorization of this Exit Premium within fourteen (14) days of the entry of this Order and the Court may rescind, modify or condition such authorization as it determines appropriate in response to a timely request for reconsideration. If no request for reconsideration is timely received, the authorization of the Exit Premium shall be subject to Section 364(e) and the applicable provisions of this Order to the same extent as the authorization of the other terms of the Junior DIP Facility.

3. Authorization to Borrow. To prevent immediate and irreparable harm to the Debtors' estates, the Debtors are hereby authorized to borrow the Senior DIP Loans from the Senior DIP Lenders under the Senior DIP Facility, issue DIP Letters of Credit (including by having all RBL Letters of Credit deemed issued as DIP Letters of Credit) and use Senior DIP Loans under the New Money Subfacility to pay any reimbursement obligations in respect of any drawn DIP Letters of Credit (and the DIP Guarantors are hereby authorized to unconditionally guarantee, on a joint and several basis, the repayment of the Senior DIP Facility) up to an aggregate principal amount of $349,010,655.62, comprised of (a) $266,139,598.62 of Senior DIP Loans under the Senior New Money Subfacility, of which (i) $150,139,598.62 is available to deem the RBL Letters of Credit as being issued under the Senior New Money Subfacility as DIP Letters of Credit, and (ii) an additional amount not to exceed $31,000,000 is available to issue new DIP Letters of Credit to backstop surety bonds, and (iii) up to $85,000,000 is available for new money Senior DIP Loans and (b) the $82,871,057.00 Senior Roll-Up Subfacility, in each case subject to the terms and conditions set forth in this Interim Order and the Senior DIP Loan Documents. Subject to and effective upon entry of the Final Order, the Debtors shall be authorized to borrow the full amount of the Senior DIP

Loans from the Senior DIP Lenders under the Senior DIP Facility ($483,010,655.62). To prevent immediate and irreparable harm to the Debtors' estates, the Debtors are also hereby authorized to borrow the full amount of the Junior DIP Loans ($650,000,000) from the Junior DIP Lenders under the Junior DIP Facility (and the DIP Guarantors are hereby authorized to unconditionally guarantee, on a joint and several basis, the repayment of the Junior DIP Facility), subject to the terms and conditions set forth in this Interim Order and the Junior DIP Loan Documents. The Debtors are authorized and directed to use the proceeds of the Senior Roll-Up Subfacility ($82,871,057.00) and the Junior DIP Facility on the closing date of the Senior DIP Facility and the Junior DIP Facility to repay the outstanding RBL Loans, which repayment shall be subject to paragraph 29 hereof. The Senior DIP Secured Parties and Junior DIP Secured Parties shall have no obligation to make any loan or advance under the respective DIP Loan Documents or, with respect to the Senior DIP Secured Parties, issue any DIP Letter of Credit unless all of the conditions precedent to the making of such extension of credit under the applicable DIP Loan Documents and this Interim Order have been satisfied in full or waived in accordance with such DIP Loan Documents.

4. DIP Obligations. This Interim Order and the Senior DIP Loan Documents and the Junior DIP Loan Documents shall evidence the Senior DIP Obligations and Junior DIP Obligations respectively, which DIP Obligations shall, upon execution of the Senior DIP Loan Documents and Junior DIP Loan Documents, as applicable, be valid, binding and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any estate representative or trustee appointed in any of the Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or related to any of the foregoing, and/or upon the dismissal of any of the Chapter 11 Cases or any such successor cases (collectively, the "Successor Cases"), and their creditors and other parties-in-

interest, in each case, in accordance with the terms of this Interim Order and the applicable DIP Loan Documents. All obligations incurred, payments made, and transfers or grants of security and liens set forth in this Interim Order and/or the DIP Loan Documents by any Debtor are granted to or for the benefit of the Debtors for fair consideration and reasonably equivalent value, and are granted contemporaneously with the making of the loans and/or commitments and other financial accommodations secured thereby. Subject to paragraph 29 hereof with respect to the repayment of the Prepetition RBL Obligations, no obligation, payment, transfer, or grant of security or lien hereunder and/or under any DIP Loan Documents (including any Senior DIP Obligation, Junior DIP Obligations or DIP Liens) shall be stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 502(d), 544 and 547 to 550 of the Bankruptcy Code or under any applicable state Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counter-claim, cross-claim, defense, or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity.

5. DIP Liens.

(a) As security for the Senior DIP Obligations, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Senior DIP Agent, for the benefit of itself and each of the other Senior DIP Secured Parties, is hereby granted continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected security interests in and liens (collectively, the "Senior DIP Liens") on all DIP Collateral as collateral security for the prompt and

complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of all of the Senior DIP Obligations. Subject in all respects to the priorities and relative rights set forth herein, as security for the Junior DIP Obligations, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Junior DIP Agent, for the benefit of itself and each of the other Junior DIP Secured Parties, is hereby granted continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected security interests in and liens (collectively, the "Junior DIP Liens", together with the Senior DIP Liens, the "DIP Liens") on all DIP Collateral as collateral security for the prompt and complete performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of all of the Junior DIP Obligations.

(b) The term "DIP Collateral" means, without limitation, all assets and properties (whether tangible, intangible, real, personal or mixed) of the Debtors, whether now owned by or owing to, or hereafter acquired by, or arising in favor of, the Debtors (including under any trade names, styles, or derivations thereof), and whether owned or consigned by or to, or leased from or to, the Debtors, and regardless of where located, including, without limitation, all of the Debtors' rights, title and interest in: (i) all Prepetition Collateral (including any Cash Collateral); (ii) all cash and cash equivalents; (iii) all funds in any deposit account, securities account or other account of the Debtors and all money, cash, cash equivalents, instruments and other property deposited therein or credited thereto from time to time; (iv) all accounts and other receivables; (v) all contract rights; (vi) all instruments, documents and chattel paper; (vii) all securities (whether or not marketable); (viii) all goods, as-extracted collateral, furniture, equipment, inventory and fixtures; (ix) all real property interests; (x) all interests in leaseholds, (xi) all franchise rights; (xii) all patents, tradenames, trademarks (other than intent-to-use trademarks), copyrights, licenses and all other

intellectual property; (xiii) all general intangibles, tax or other refunds, or insurance proceeds; (xiv) all equity interests, capital stock, limited liability company interests, partnership interests and financial assets; (xv) all investment property; (xvi) all supporting obligations; (xvii) all letters of credit issued to the Debtors and letter of credit rights; (xviii) commercial tort claims, claims and causes of action and all substitutions; (xix) all books and records (including, without limitation, customers lists, credit files, computer programs, printouts and other computer materials and records); (xxi) to the extent not covered by the foregoing, all other assets or properties of the Debtors, whether tangible, intangible, real, personal or mixed; (xxii) all oil reserves; (xxiii) all proceeds and products of each of the foregoing clauses (i)-(xxii) and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, including any and all proceeds of any insurance, indemnity, warranty or guaranty payable to such Debtor from time to time with respect to any of the foregoing; and (xxiv) all proceeds or property recovered in connection with actions under chapter 5 of the Bankruptcy Code ("Avoidance Actions"), *provided*, that (x) the DIP Liens on proceeds and property recovered in connection with Avoidance Actions shall attach only upon entry of the Final Order and (y) the DIP Collateral shall not include any property that would have been Excluded Property (as defined in the Senior DIP Credit Agreement) prior to giving effect to this Interim Order.

(c) To the fullest extent permitted by the Bankruptcy Code or applicable law, any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent or the payment of any fees or obligations to any governmental entity or non-governmental entity in order for the Debtors to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest or the proceeds thereof or other DIP Collateral, shall have no force or effect with

respect to the grant, attachment or perfection of DIP Liens on such leasehold interests or other applicable DIP Collateral or the proceeds of any assignment and/or sale thereof by any Debtor in favor of the DIP Secured Parties in accordance with the terms of the applicable DIP Loan Documents and this Interim Order or in favor of the Prepetition Secured Parties in accordance with this Interim Order.

6. Priority of Senior DIP Liens.

(a) The Senior DIP Liens shall have the following priorities:

(i) pursuant to section 364(c)(2) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected first priority liens on and security interests in all DIP Collateral that is not otherwise subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date or valid liens perfected (but not granted) after the Petition Date to the extent such post-petition perfection is permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out, including without limitation, any and all unencumbered cash, hydrocarbons and other inventory generated or produced after the Petition Date, accounts receivable, inventory, general intangibles, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, vehicles, deposit accounts, patents, copyrights, trademarks, tradenames, rights under license agreements and other intellectual property, capital stock of the subsidiaries of the Debtors and the proceeds of all of the foregoing (collectively, such DIP Collateral, "Unencumbered Assets");

(ii) pursuant to section 364(c)(3) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected junior liens on and security interests in all DIP Collateral other than Prepetition Collateral, that on or as of the Petition Date is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition

Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out and such Permitted Prior Liens; and

(iii) pursuant to section 364(d)(1) of the Bankruptcy Code, the Senior DIP Liens shall be valid, enforceable, non-avoidable automatically and fully perfected first priority senior priming liens on and security interests in all DIP Collateral that also constitutes Prepetition Collateral, wherever located, which senior priming liens and security interests in favor of the Senior DIP Agent shall prime and be senior to each of the Prepetition Liens, and shall be subject only to the Carve Out.

(b) Except as expressly set forth herein, the Senior DIP Liens and the Senior Superpriority DIP Claims: (i) shall not be made subject to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates, any trustee or any other estate representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the dismissal of any of the Chapter 11 Cases or any Successor Cases, (B) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to sections 510, 549, 550 or 551 of the Bankruptcy Code or, subject to entry of the Final Order, section 506(c) of the Bankruptcy Code.

7. Priority of Junior DIP Liens.

(a) The Junior DIP Liens shall have the following priorities:

(i) pursuant to section 364(c)(2) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected second priority

liens on and security interests in all Unencumbered Assets, subject only to the Carve Out, the Senior DIP Liens and RBL Adequate Protection Liens (as defined below);

(ii) pursuant to section 364(c)(3) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable and automatically and fully perfected junior liens on and security interests in all DIP Collateral other than Prepetition Collateral, that on or as of the Petition Date is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, subject only to the Carve Out, such Permitted Prior Liens, the Senior DIP Liens and any RBL Adequate Protection Liens; and

(iii) pursuant to section 364(d)(1) of the Bankruptcy Code, the Junior DIP Liens shall be valid, enforceable, non-avoidable automatically and fully perfected second priority senior priming liens on and security interests in all DIP Collateral that also constitutes Prepetition Collateral, wherever located, which senior priming liens and security interests in favor of the Junior DIP Agent shall prime and be senior to each of the Prepetition Liens (other than any liens securing the Prepetition RBL Obligations), and shall be subject only to the Carve Out, Permitted Prior Liens, the Senior DIP Liens and liens securing the Prepetition RBL Obligations.

(b) Except as expressly set forth herein (including paragraph 22(c) hereof), the Junior DIP Liens and the Junior Superpriority DIP Claims: (i) shall not be made subject to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates, any trustee or any other estate representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the dismissal of any of the Chapter 11 Cases or any

Successor Cases, (B) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to sections 510, 549, 550 or 551 of the Bankruptcy Code or, subject to entry of the Final Order, section 506(c) of the Bankruptcy Code.

8. Superpriority DIP Claims.

(a) Senior Superpriority Claims. Subject only to the Carve Out, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Senior DIP Agent, for itself and for the benefit of the Senior DIP Lenders, is hereby granted, pursuant to section 364(c)(1) and 364(e) of the Bankruptcy Code, an allowed superpriority administrative expense claim in each of the Chapter 11 Cases or any Successor Cases (the "Senior Superpriority DIP Claims"), on account of the Senior DIP Obligations, (a) with priority over any and all administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses, unsecured claims, or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, and (b) which shall at all times be senior to the rights of the Debtors or their estates, and any trustee appointed in the Chapter 11 Cases or any Successor Cases to the extent permitted by law. The Senior Superpriority DIP Claims shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis.

(b) Junior Superpriority Claims. Subject only to the Carve Out, the Senior Superpriority Claims and the RBL Adequate Protection Claims, immediately upon entry of this Interim Order, and effective as of the Petition Date, the Junior DIP Agent, for itself and for the benefit of the Junior DIP Lenders, is hereby granted, pursuant to section 364(c)(1) and 364(e) of the Bankruptcy Code, an allowed superpriority administrative expense claim in each of the Chapter 11 Cases or any Successor Cases (the "Junior Superpriority DIP Claims", and together with the Senior Superpriority DIP Claims, the "Superpriority DIP Claims"), on account of the Junior DIP Obligations, (a) with priority over any and all administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses, unsecured claims, or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, and (b) which shall at all times be senior to the rights of the Debtors or their estates, and any trustee appointed in the Chapter 11 Cases or any Successor Cases to the extent permitted by law. The Junior Superpriority DIP Claims shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis.

9. Use of DIP Facility Proceeds. From and after the Closing Date, the Debtors shall be permitted to use the proceeds of the DIP Facilities and Cash Collateral only for the following purposes, in each case, solely in accordance with and subject to this Interim Order, the DIP Loan

Documents and the Approved Budget (subject to Permitted Variances): (a) to pay interest, fees, costs and expenses related to the DIP Loans; (ii) to pay the reasonable, documented and invoiced fees, costs and expenses of the estate professionals retained in the Chapter 11 Cases and approved by the Court (the "Estate Professionals"); (iii) to pay the fees, costs, disbursements and expenses of the DIP Secured Parties to the extent provided by the respective DIP Loan Documents; (iv) to make all permitted payments of costs of administration of the Chapter 11 Cases; (v) to pay such prepetition expenses as are consented to in writing by the Senior DIP Agent and the Majority Junior DIP Lenders (as defined below) and approved by the Court; (vi) to satisfy any adequate protection obligations owing under this Interim Order; (vii) to fully repay the Prepetition RBL Obligations; and (viii) for general corporate and working capital purposes of the Debtors during the Chapter 11 Cases.

10. Authorization to Use Cash Collateral. The Debtors are authorized to use Cash Collateral in accordance with the Approved Budget (subject to Permitted Variances) and subject to the terms and conditions of the DIP Loan Documents and this Interim Order, provided that the Prepetition Secured Parties are granted the Adequate Protections as hereinafter set forth. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any of the Debtors' use of any Cash Collateral or other proceeds resulting therefrom, except as permitted under this Interim Order and the DIP Loan Documents and in accordance with the Approved Budget (subject to Permitted Variances). The Prepetition Liens in the Prepetition Collateral, subject to the Intercreditor Agreements, shall continue to attach to the Cash Collateral irrespective of the commingling of the Cash Collateral with other cash of the Debtors (if any). Any failure by the Debtors on or after the Petition Date to comply with the segregation requirements of section 363(c)(4) of the Bankruptcy Code in respect of any

Cash Collateral shall not be used as a basis to challenge the Prepetition Obligations, or the extent, validity, enforceability or perfected status of the Prepetition Liens.

11. Adequate Protection. In consideration for the Debtors' use of the Prepetition Collateral (including Cash Collateral), and to protect the Prepetition Secured Parties against any Diminution in Value of their respective interests in the Prepetition Collateral, the Prepetition Secured Parties shall receive, subject to the Intercreditor Agreements, the following adequate protection:

(a) *RBL Adequate Protection Liens*. Pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Senior Secured Collateral Agent, for the benefit of the Prepetition RBL Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "RBL Adequate Protection Liens") (i) to the extent of any Diminution in Value and (ii) to the extent of any remaining unpaid portion of any Prepetition RBL Obligations (including any indemnity claims arising after the Petition Date and any Prepetition RBL Obligations subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid and the liens securing the Prepetition RBL Obligations shall not have been avoided), which security interests and liens will be junior only to the Senior DIP Liens, the Permitted Prior Liens and the Carve Out, and shall be senior in priority to all other liens, including the Junior DIP Liens, the FLMO Adequate Protection Liens (as defined below), the FLLO Adequate Protection Liens (as defined below), the Second Lien Adequate Protection Liens (as defined below) and the Prepetition Liens; *provided*, that the RBL Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral and proceeds therefrom shall be subject in all respects to the terms and conditions of the Collateral Agency Agreement, and, without limiting the foregoing or any other

terms of the Collateral Agency Agreement, any DIP Collateral proceeds distributed on account of the RBL Adequate Protection Liens shall be made in accordance with the Allocation Provisions contained in Section 3.06 of the Collateral Agency Agreement. Except for with respect to the Senior DIP Liens, the Permitted Prior Liens and the Carve Out, the Senior Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition RBL Obligations are discharged. The RBL Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the RBL Adequate Protection Liens.

(b) *RBL Adequate Protection Claim*. Pursuant to section 507(b) of the Bankruptcy Code, the Prepetition RBL Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "RBL Adequate Protection Claim") to the extent of any Diminution in Value and to the extent any unpaid portion of any Prepetition RBL Obligations (including any indemnity claims arising after the Petition Date and any Prepetition RBL Obligations subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid and the liens securing the Prepetition RBL Obligations shall not have been avoided), which claim shall be junior to the Senior Superiority DIP Claims and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or

any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The RBL Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code and shall be against each Debtor on a joint and several basis. Except for the Senior Superiority DIP Claims and the Carve Out, the RBL Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition RBL Obligations are paid in full.

(c) *RBL Interest*. As further adequate protection for the Prepetition RBL Secured Parties, the Debtors shall pay to the Prepetition RBL Agent for the ratable benefit of the Prepetition RBL Lenders, (i) no later than the earlier of (x) three (3) business days after entry of this Interim Order and (y) the closing date of the DIP Facilities, all accrued and unpaid interest, fees and costs due and payable under the Prepetition RBL Loan Documents as of such earlier date, in each case, calculated based on the applicable non-default rate set forth in the Prepetition RBL Credit Agreement; and (ii) to the extent any Prepetition RBL Obligations remain outstanding following the date described in the foregoing clause (i) (including any amount that is outstanding after any Prepetition RBL Obligations are reinstated), on the last business day of each calendar month

beginning the last business day of July, all accrued and unpaid postpetition interest, fees and costs due and payable under the Prepetition RBL Loan Documents, in each case, calculated based on the ABR non-default rate as set forth in the Prepetition RBL Credit Agreement. All parties' rights are reserved as to whether any interest paid pursuant to the foregoing clause (ii) shall be subject to recharacterization by the Court as payment of principal to the extent the Prepetition RBL Obligations are determined to be under-secured for purposes of section 506(b) of the Bankruptcy Code.

(d) *Prepetition Fees and Expenses*. The Debtors shall pay all prepetition and postpetition reasonable and documented fees, costs and expenses incurred by (i) the Prepetition RBL Agent, including all reasonable and documented fees and expenses of Simpson Thacher & Bartlett LLP ("Simpson Thacher"), Norton Rose Fulbright US LLP ("Norton Rose Fulbright"), Opportune LLP ("Opportune") and such other consultants or other professionals as may be retained by the Prepetition RBL Agent in accordance with the terms of the Prepetition RBL Credit Agreement, (collectively, the "RBL Agent Professionals"), (ii) one primary counsel and one local counsel retained by the Prepetition Senior Secured Collateral Agent, (iii) the Prepetition FLMO Term Loan Agent, including all reasonable and documented fees and expenses of Emmet, Marvin & Martin LLP ("Emmet Marvin"), (iv) the Prepetition FLLO Term Loan Agent, including all reasonable and documented fees and expenses of Emmet Marvin, (v) the Junior DIP Agent, including all documented fees and expenses of Ropes & Gray LLP ("Ropes"), (vi) the Ad Hoc First Lien Group (including all reasonable and documented fees and expenses of Davis Polk & Wardwell LLP ("Davis Polk"), Evercore Inc. ("Evercore"), Haynes and Boone, LLP ("Haynes and Boone"), Cox, Castle & Nicholson LLP ("Cox Castle"), Trimeric Corporation ("Trimeric"), Cornerstone Engineering,

Inc. ("Cornerstone"), ERM Consulting and Engineering Inc. ("ERM"), and Rapp & Krock, PC ("Rapp & Krock," collectively, the "Ad Hoc First Lien Group Professionals")), and (vii) Ares, including all reasonable and documented fees and expenses of incurred by Ares in connection with the Debtors' restructuring, including, but not limited to, Kirkland & Ellis LLP, Lazard, Ramboll Group A/S, E3 Consulting, Netherland, Sewell & Associates, Inc., Brownstein Hyatt Farber Schreck, LLP, Mayer Brown LLP, Capstone LLC, Lockston Companies, and Petru Corporation. The Debtors shall continue to pay any such fees, costs and expenses incurred by the Prepetition RBL Agent, including the reasonable and documented fees and expenses of the RBL Agent Professionals (including any such fees, costs and expenses incurred defending any Challenge) notwithstanding the repayment of the Prepetition RBL Obligations. The invoices for the reasonable and documented fees and expenses to be paid pursuant to this paragraph shall not be required to comply with the U.S. Trustee guidelines and shall not be required to contain time detail (and may contain redactions of privileged, confidential or otherwise sensitive information), and shall be provided to counsel to the Debtors, with a copy to the U.S. Trustee and counsel to any Committee appointed in the Chapter 11 Cases (collectively, the "Fee Notice Parties"). If no objection to payment of the requested fees and expenses are made, in writing and delivered to the applicable professionals and counsel to the Debtors (which delivery may be made via electronic mail) by any of the Fee Notice Parties within ten (10) calendar days after delivery of such invoices (the "Fee Objection Period"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors. If an objection (solely as to reasonableness) is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, then only the disputed portion of such fees and expenses shall not be paid until the objection is resolved by the applicable parties in good faith or by order of the Court, and the

undisputed portion shall be promptly paid by the Debtors. Notwithstanding the foregoing, the Debtors are authorized and directed to pay on the Closing Date the reasonable and documented fees, costs and expenses of the RBL Agent Professionals and Ad Hoc First Lien Group Professionals incurred on or prior to such date without the need to provide notice to any other party or otherwise comply with the procedures set forth in this paragraph.

(e) *FLMO Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Senior Secured Collateral Agent, for the benefit of the Prepetition FLMO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "Prepetition FLMO Adequate Protection Liens"), which security interests and liens will be junior only to the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the Carve Out, and shall be senior in priority to all other liens, including the FLLO Adequate Protection Liens, the Second Lien Adequate Protection Liens) and the Prepetition Liens; *provided*, that the FLMO Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral and proceeds therefrom shall be subject in all respects to the terms and conditions of the Collateral Agency Agreement, and, without limiting the foregoing or any other terms of the Collateral Agency Agreement, any DIP Collateral proceeds distributed on account of the FLMO Adequate Protection Liens shall be made in accordance with the Allocation Provisions contained in Section 3.06 of the Collateral Agency Agreement. Except for with respect to the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the Carve Out, the FLMO Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security

interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLMO Obligations are paid in full. The FLMO Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the FLMO Adequate Protection Liens.

(f) *FLMO Adequate Protection Claim*. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition FLMO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "FLMO Adequate Protection Claim"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The FLMO Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a

joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim and the Carve Out, the FLMO Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLMO Obligations are paid in full.

(g) *FLLO Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition FLLO Term Loan Agent, for the benefit of itself and the other Prepetition FLLO Secured Parties, immediately upon the entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "FLLO Adequate Protection Liens"), which security interests and liens will be junior only to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens and the FLMO Adequate Protection Liens, and shall be senior in priority to all other liens, including the Second Lien Adequate Protection Liens and the Prepetition Liens; *provided*, that the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens, the rights and remedies with respect thereto and the right to receive DIP Collateral or proceeds therefrom shall be subject in all respects to the terms and conditions of the Pari Passu Intercreditor Agreement, and, without limiting the foregoing or any other terms of the Pari Passu Intercreditor Agreement, any DIP Collateral proceeds distributed on account of the FLLO Adequate Protection Liens shall be made in accordance with the Allocation

Provisions contained in Section 6.01 of the Pari Passu Intercreditor Agreement. Except for with respect to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLLO Obligations are paid in full. The FLLO Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the FLLO Adequate Protection Liens.

(h) *FLLO Adequate Protection Claim*. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition FLLO Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "FLLO Adequate Protection Claim"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy

Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The FLLO Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the Carve Out, the FLLO Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition FLLO Obligations are paid in full.

(i) *Second Lien Adequate Protection Liens*. To the extent of any Diminution in Value, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code, the Prepetition Second Lien Collateral Trustee, for the benefit of itself and the other Prepetition Second Lien Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, is hereby granted continuing, valid, binding, enforceable and automatically perfected postpetition security interests and liens on all DIP Collateral (the "Second Lien Adequate Protection Liens", and together with the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens and the FLLO Adequate Protection Liens, the "Adequate Protection Liens"), which security interests and liens will be junior to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens, the FLLO Adequate Protection Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, and shall be senior in priority to all other

liens. Except with respect to the Carve Out, the DIP Liens, the Permitted Prior Liens, the RBL Adequate Protection Liens, the FLMO Adequate Protection Liens the FLLO Adequate Protection Liens, the Prepetition Senior Liens and the Prepetition FLLO Liens, the Second Lien Adequate Protection Liens shall not be made subject to or pari passu with any lien or security interest heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition Second Lien Note Obligations are paid in full. The Second Lien Adequate Protection Liens shall not be subject to sections 549 or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estates pursuant to section 551 of the Bankruptcy Code shall be pari passu with or senior to the Second Lien Adequate Protection Liens.

(j) Second Lien Adequate Protection Claim. To the extent of any Diminution in Value, pursuant to section 507(b) of the Bankruptcy Code, the Prepetition Second Lien Secured Parties, immediately upon entry of this Interim Order and effective as of the Petition Date, are hereby granted an allowed superpriority administrative expense claim (the "Second Lien Adequate Protection Claim", and together with the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim and the FLLO Adequate Protection Claim, the "Adequate Protection Claims"), which claim shall be junior to the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim, the FLLO Adequate Protection Claim and the Carve Out, but shall be senior to and have priority over any other administrative expense claims, unsecured claims and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered

pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 of the Bankruptcy Code, and any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The Second Lien Adequate Protection Claim shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis, and shall be payable from and have recourse to all DIP Collateral. Except for the Superpriority DIP Claims, the RBL Adequate Protection Claim, the FLMO Adequate Protection Claim, the FLLO Adequate Protection Claim and the Carve Out, the Second Lien Adequate Protection Claim shall not be made subject to or *pari passu* with any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates and any successors thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases until such time as the Prepetition Second Lien Obligations are paid in full.

(k) *Additional Adequate Protection*.

(i) Information; Access to Books and Records. The Debtors will provide to the Prepetition RBL Agent (so long the Prepetition RBL Obligations have not been discharged), the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee (and subject to any restrictions on posting material non-public information to public lenders set forth in the

Prepetition Debt Documents) any and all reports and information required to be delivered pursuant to the DIP Credit Agreement, including any Updated Budget and variance reports.

(ii) Maintenance of Collateral. The Debtors shall continue to maintain and insure the Prepetition Collateral in amounts and for the risks, and by the entities, as required under the Prepetition RBL Documents (as long as the Prepetition RBL Obligations have not been discharged), the Prepetition FLMO Tem Loan Documents the Prepetition FLLO Term Loan Documents and the Prepetition Second Lien Documents.

(l) Termination of Consent to Use Cash Collateral. Upon indefeasible payment in full of all DIP Obligations, the following events shall permit Majority Prepetition FMLO Secured Parties to immediately seek to terminate the Debtors' right to use Cash Collateral pursuant to this Interim Order, and to immediately seek relief from the automatic stay to proceed to protect, enforce and exercise all other rights and remedies provided under the Prepetition FLMO Term Loan Documents or applicable law: (1) the Debtors fail to satisfy any Milestone in Section 10.15 of the Senior DIP Credit Agreement; (2) the Debtors fail to update the Approved Budget as contemplated by the Senior DIP Credit Agreement or to comply with the provisions relating to permitted variances from such Approved Budget; (3) the Debtors file, support, make a written proposal or counterproposal to any party relating to, or take any other similar action in furtherance of a chapter 11 plan, sale process or other restructuring transaction that (A) does not provide for the indefeasible payment on the effective date thereof of all claims on account of the Prepetition FLMO Obligations in full in cash or (B) is not approved by the Required FLMO Term Lenders (as defined below) (in each case, a "Non-Consensual Action"); or (4) the Debtors provide notice to counsel to the Ad Hoc First Lien Group of any such Non-Consensual Action (the "Non-Consensual Restructuring Notice").

The Debtors shall provide a Non-Consensual Restructuring Notice to counsel to the Ad Hoc First Lien Group not less than seven (7) days before taking any Non-Consensual Action *provided*, that the Debtors' obligation to provide such notice will terminate in the event that either (x) the Restructuring Support Agreement has been terminated by the Debtors due to a material breach by the Required Consenting Creditors or (y) the Backstop Commitment Agreement has been terminated due to the Backstop Parties terminating their Backstop Commitments (each, as defined in the Restructuring Support Agreement).

(m) *Adequate Protection Reservation*. The receipt by the Prepetition Secured Parties of the adequate protection provided pursuant to this Interim Order shall not be deemed an admission that the interests of the Prepetition Secured Parties are indeed adequately protected. Further, this Interim Order shall not prejudice or limit the rights of the Prepetition RBL Secured Parties (so long any Prepetition RBL Obligations are outstanding) or the other Prepetition Secured Parties (subject to the terms of the applicable Intercreditor Agreements) to seek additional relief with respect to the use of Cash Collateral or for additional adequate protection, including without limitation in the event of termination of the Restructuring Support Agreement or any failure of any of the milestones in the Restructuring Agreement to be timely achieved, provided that (a) any such additional or alternative adequate protection approved by the Court in respect of the Prepetition RBL Obligations shall at all times be subordinate and junior to the Carve Out, the Senior DIP Obligations and the Senior DIP Liens granted under this Interim Order and the DIP Loan Documents and (b) any such additional or alternative adequate protection approved by the Court in respect of the Prepetition FLMO Obligations, Prepetition FLLO Obligations and Prepetition Second Obligations shall at all times be subordinate and junior to the Carve Out, the Superpriority DIP Claims, the DIP Obligations and the DIP Liens granted under this Interim Order and the DIP Loan

Documents. Without limiting the foregoing, nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided hereunder is insufficient to compensate for any Diminution in Value during any of the Chapter 11 Cases.

12. Amendments. (x) The Debtors, the Senior DIP Agent and the Senior DIP Secured Parties, are hereby authorized to enter into the Senior DIP Loan Documents and implement, in accordance with the terms of the Senior DIP Loan Documents one or more amendments, waivers, consents or other modifications to and under the Senior DIP Loan Documents, in each case in such form as the Debtors, the Senior DIP Agent and the Majority Lenders (as defined in the Senior DIP Credit Agreement) (the "Majority Senior DIP Lenders") may agree, and no further approval of the Court shall be required for non-material amendments, waivers, consents or other modifications to and under the Senior DIP Loan Documents (and any reasonable fees and expenses paid in connection therewith); and (y) the Debtors, the Junior DIP Agent and the Junior DIP Secured Parties, are hereby authorized to enter into the Junior DIP Loan Documents and implement, in accordance with the terms of the Junior DIP Loan Documents one or more amendments, waivers, consents or other modifications to and under the Junior DIP Loan Documents, in each case in such form as the Debtors, the Junior DIP Agent and the Majority Lenders (as defined in the Junior DIP Credit Agreement) (the "Majority Junior DIP Lenders") may agree, and no further approval of the Court shall be required for non-material amendments, waivers, consents or other modifications to and under the Junior DIP Loan Documents (and any reasonable fees and expenses paid in connection therewith); *provided*, *however*, that in the case of both of the foregoing clauses (x) and (y), the Debtors shall provide notice of any material amendment, waiver, consent or other modification under the Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable, to counsel to any Committee,

counsel to the applicable non-amending DIP Agent, counsel to the applicable non-amending DIP Secured Parties, and the United States Trustee three (3) calendar days prior to the effective date thereof to the extent practicable. If no objections are timely received (or if the U.S. Trustee, such DIP Agent, such DIP Secured Parties or the Committee indicate via electronic mail or otherwise that they have no objection) to a material amendment within three (3) calendar days from the date of delivery of such notice, the Debtors may proceed to execute such amendment, which shall become effective immediately upon execution.

13. Budget Covenants.

(a) *Initial Budget and Updated Budget.* The use of Cash Collateral and borrowings and other extensions of credit under the DIP Loan Documents shall be in accordance with the Approved Budget (subject to Permitted Variances). The Debtors have prepared and delivered to the Senior DIP Agent and Majority Junior DIP Lenders, and the Senior DIP Agent and Majority Junior DIP Lenders have approved, an initial budget, a copy of which is attached hereto as Exhibit 3 (the "Initial Budget"), which reflects the Debtors' anticipated cash receipts and all anticipated necessary and required disbursements of the DIP Borrower and its restricted subsidiaries, including (i) individual line items for "Total Receipts," "Total Operating Disbursements," "Professional Fees," "Operating AP Payments," "Payroll/Payroll Taxes," and "Elk Hills Power Capacity/Reimbursement" and (ii) anticipated uses of the DIP Facilities for such period, for each calendar week during the period from the Petition Date through and including the end of the thirteenth (13th) calendar week following the Petition Date. The Initial Budget, and each Updated Budget (as defined below), once approved in accordance herewith, shall be deemed the "Approved Budget" for all purposes hereof until superseded by another Approved Budget pursuant to the provisions set forth below.

(b) *Updated Budget*. Beginning on July 28, 2020, and every four (4) weeks thereafter while any DIP Obligations are outstanding, the Debtors shall prepare in good faith and deliver to the DIP Agents, the DIP Agents' professional advisors, and the professional advisors to the Majority Junior DIP Lenders an updated 13-week cash flow forecast consistent in form and substance with the Initial Budget and otherwise in form and substance acceptable to the Senior DIP Agent, the Majority Senior DIP Lenders, and reasonably acceptable to the Majority Junior DIP Lenders, as and to the extent required by the DIP Credit Agreements (each such updated forecast, an "Updated Budget"). Each Updated Budget shall be accompanied by such supporting documentation in accordance with the terms of the DIP Credit Agreements. For the avoidance of doubt, no amendment, modification or update to an Approved Budget shall be effective without the approval of the Senior DIP Agent, Majority Senior DIP Lenders and, so long as no Senior DIP Event of Default (as defined below) has occurred and is continuing, the Majority Junior DIP Lenders, and in accordance with the terms of the applicable DIP Credit Agreements.

(c) *Variance Reporting*. The Debtors are subject to the variance reporting and testing as set forth in, and in accordance with the terms of, the DIP Credit Agreements. Concurrently with the delivery of each Updated Budget, the Debtors shall deliver to the DIP Agents, the DIP Agents' professional advisors, and the professional advisors to the Majority Junior DIP Lenders the weekly cash balance reporting and variance reporting required under the DIP Credit Agreements. Variances in excess of the Permitted Variance (as defined in each DIP Credit Agreement) from the Approved Budget, and any proposed changes to the Approved Budget, shall be subject to written agreement by the Debtors and the Senior DIP Agent and, so long as no Senior DIP Event of Default has occurred and is continuing, the Majority Junior DIP Lenders, in each case without further notice, motion or application to, order of, or hearing before, the Court.

14. Modification of Automatic Stay. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified as necessary to permit: (a) the Debtors to grant the DIP Liens and the Superpriority DIP Claims, and to perform such acts as the DIP Agents or the Majority Senior DIP Lenders or Majority Junior DIP Lenders may request to assure the perfection and priority of the DIP Liens; (b) the Debtors to take all appropriate action to grant the Adequate Protection Liens and the Adequate Protection Claims set forth herein, and to take all appropriate action to ensure that the Adequate Protection Liens granted hereunder are perfected and maintain the priority set forth herein; (c) the Debtors to incur all liabilities and obligations, including all the DIP Obligations, to the DIP Secured Parties and the Prepetition Secured Parties as contemplated under this Interim Order and/or the DIP Loan Documents; (d) the Debtors to pay all amounts referred to, required under, in accordance with, and subject to the DIP Loan Documents and this Interim Order; (e) the DIP Secured Parties and the Prepetition Secured Parties to retain and apply payments made in accordance with the DIP Loan Documents and/or this Interim Order; (f) subject to paragraph 22 hereof, the DIP Agents and the DIP Lenders to exercise, upon the occurrence and during the continuance of an Event of Default (as defined in the Senior DIP Credit Agreement) (a "Senior DIP Event of Default") or an Event of Default (as defined in the Junior DIP Credit Agreement) (a "Junior DIP Event of Default"), subject to the Remedies Notice Period (as defined below), all rights and remedies provided for in the DIP Loan Documents and take any or all actions provided therein; (g) the Debtors to perform under the DIP Loan Documents and any and all other instruments, certificates, agreements and documents which may be required, necessary or prudent for the performance by the applicable Debtors under the DIP Loan Documents and any transactions contemplated therein or in this Interim Order; and (h) the implementation of all of the terms, rights, benefits, privileges, remedies and provisions of this Interim Order and the DIP Loan Documents, in each case, without

further notice, motion or application to, or order of, or hearing before, this Court, subject to the terms of this Interim Order.

15. Perfection of DIP Liens and Postpetition Liens. This Interim Order shall be sufficient and conclusive evidence of the validity, perfection and priority of all security interests and liens granted herein, including, without limitation, the DIP Liens and the Adequate Protection Liens, without the necessity of executing, filing or recording any financing statement, mortgage, notice or other instrument or document that may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any securities or deposit account control agreement or taking possession of any possessory collateral) to validate or perfect (in accordance with applicable law) such liens, or to entitle the Prepetition Secured Parties and the DIP Secured Parties to the priorities granted herein. Notwithstanding the foregoing, each of the Senior DIP Agent, Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, without any further consent of any party, is authorized to execute, file or record, and the Senior DIP Agent, Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, may require the execution, filing or recording, as each, in its sole discretion deems necessary, of such financing statements, mortgages, notices of lien, and other similar documents to enable the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, to further validate, perfect, preserve and enforce the DIP Liens or

other liens and security interests granted hereunder, or perfect in accordance with applicable law or to otherwise evidence the DIP Liens and/or the Adequate Protection Liens, as applicable, and all such financing statements, mortgages, notices, and other documents shall be deemed to have been executed, filed or recorded as of the Petition Date; *provided*, *however*, that no such execution, filing or recordation shall be necessary or required in order to create or perfect the DIP Liens and/or the Adequate Protection Liens. The Debtors are authorized and directed to execute and deliver promptly upon demand to the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, all such financing statements, notices, and other documents as the Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, as applicable, may reasonably request. The Senior DIP Agent, the Junior DIP Agent, the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee, each in its discretion, may file a photocopy of this Interim Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, notices of lien, or similar instruments, and in such event, the filing or recording office shall be authorized to file or record such photocopy of this Interim Order.

16. Protection of DIP Lenders' Rights and Adequate Protection Liens. So long as there are any DIP Obligations outstanding, the Prepetition Secured Parties (other than the Prepetition RBL Secured Parties as set forth in paragraph 22(c) hereof) shall (a) absent the written consent of

the DIP Agents, have no right to, and take no action to, foreclose upon or recover in connection with the liens granted thereto pursuant to the Prepetition Debt Documents or this Interim Order or otherwise seek or exercise any enforcement rights or remedies against any DIP Collateral or in connection with the debt and obligations underlying the Prepetition Debt Documents or the Adequate Protection Liens, including, without limitation, in respect of the occurrence or continuance of any Event of Default (as defined in each of the applicable Prepetition Debt Documents), (b) be deemed to have consented to any release of DIP Collateral authorized under the DIP Loan Documents (but not any proceeds of such transfer, disposition or sale to the extent remaining after payment in full in cash of the DIP Obligations), (c) not file any further financing statements, patent filings, trademark filings, copyright filings, mortgages, memoranda of lease, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral unless, solely as to this clause (c), the DIP Agents file financing statements or other documents to perfect the liens granted pursuant to the DIP Loan Documents and/or this Interim Order, or as may be required by applicable state law to continue the perfection of valid and unavoidable liens or security interests as of the date of filing, and (d) deliver or cause to be delivered, at the Debtors' costs and expense (for which the Prepetition RBL Agent, the Prepetition Senior Secured Collateral Agent, the Prepetition FLMO Term Loan Agent, the Prepetition FLLO Term Loan Agent and the Prepetition Second Lien Collateral Trustee shall be reimbursed upon submission to the Debtors of invoices or billing statements), any termination statements, releases and/or assignments (to the extent provided for herein) in favor of the DIP Agents and the DIP Lenders or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of Adequate Protection Liens, the Prepetition Senior Liens, the Prepetition FLLO Liens or the Prepetition Second

Liens on any portion of the DIP Collateral subject to any sale or disposition approved or arranged for by any DIP Agent.

17. Protection of DIP Lenders Rights. To the extent any Prepetition Secured Party has possession of any Prepetition Collateral or DIP Collateral or has control with respect to any Prepetition Collateral or DIP Collateral, or has been noted as secured party on any certificate of title for a titled good constitution Prepetition Collateral or DIP Collateral, then such Prepetition Secured Party shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the Senior DIP Agent, the Senior DIP Secured Parties, the Junior DIP Agent and the Junior DIP Secured Parties, and such Prepetition Secured Party and the applicable Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent, or the Prepetition Second Lien Collateral Trustee shall comply with the instruction of the Senior DIP Agent, acting at the direction of the Majority Senior DIP Lenders, with respect to the exercise of such control. To the extent that the Senior DIP Agent or any other Senior DIP Secured Party has possession of any Prepetition Collateral or DIP Collateral or has control with respect to any Prepetition Collateral or DIP Collateral, or has been noted as secured party on any certificate of title for a titled good constituting Prepetition Collateral or DIP Collateral, then such Senior DIP Secured Party shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the Junior DIP Agent and the Junior DIP Secured Parties, subject to the priorities set forth in paragraph 6 above and other terms of this Order; provided that following the Discharge of the Senior DIP Obligations, the Senior DIP Agent shall deliver Junior DIP Agent, at

the Debtors' sole cost and expense, the Prepetition Collateral or DIP Collateral in its possession together with any necessary endorsements to the extent required by the Junior DIP Documents.

18. Proceeds of Subsequent Financing. Without limiting the provisions of the immediately preceding paragraph, if the Debtors, any trustee, any examiner with enlarged powers or any responsible officer subsequently appointed in any of the Chapter 11 Cases or any Successor Cases shall obtain credit or incur debt pursuant to sections 364(b), (c), or (d) of the Bankruptcy Code in violation of this Interim Order or the DIP Loan Documents at any time prior to the indefeasible payment in full in cash of all of the DIP Obligations, the satisfaction of the Superpriority DIP Claims, and the termination of the DIP Agents' and the DIP Lenders' obligations to extend credit under the DIP Facilities and this Interim Order, including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors' estates, then unless otherwise agreed by the DIP Agents all of the cash proceeds derived from such credit or debt shall immediately be turned over first, to the Senior DIP Agent to be applied to the Senior DIP Obligations pursuant to the Senior DIP Credit Agreement until the Discharge of Senior DIP Obligations (as defined below) occurs and second (but subject to paragraph 22(c) hereof), to the Junior DIP Agent to be applied to the Junior DIP Obligations pursuant to the Junior DIP Credit Agreement.

19. Maintenance of DIP Collateral. The Debtors shall continue to maintain all property, operational and other insurance as required and as specified in the DIP Loan Documents. The Debtors shall provide the DIP Agents and their respective counsel (for distribution to the DIP Secured Parties) with commercially reasonable evidence of such insurance upon a request to counsel for the Debtors. Upon entry of this Interim Order and to the fullest extent provided by applicable law, the DIP Agents (on behalf of the DIP Secured Parties) shall be, and shall be deemed to be, without any

further action or notice, named as additional insureds and lender's loss payees on each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral. The Debtors shall also maintain the cash management system in effect as of the Petition Date, as modified by this Interim Order and any order of the Court authorizing the continued use of the cash management system.

20. Disposition of DIP Collateral. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral (or enter into any binding agreement to do so) other than in the ordinary course of business without the prior written consent of the Majority Senior DIP Lenders or as otherwise provided for in the Senior DIP Loan Documents and, so long as no Senior DIP Event of Default has occurred and is continuing, the prior written consent of the Majority Junior DIP Lenders or as otherwise provided for in the Junior DIP Loan Documents.

21. Termination Date. Each of the following shall constitute a termination event under this Interim Order (each a "Termination Event", and the date upon which such Termination Event occurs, the "Termination Date"), unless waived in writing (delivery by email or other electronic means being sufficient) by both DIP Agents and the Majority Junior DIP Lenders: (a) the occurrence of the maturity date of either DIP Facility; (b) the date that is thirty-five (35) days after the Petition Date if the Final Order, in form and substance acceptable to each DIP Agent and the Majority Junior DIP Lenders, has not been entered by the Court; (c) the occurrence of a Senior DIP Event of Default; or (d) the occurrence of a Junior DIP Event of Default.

22. Rights and Remedies Upon Termination Event.

(a) Upon the occurrence and during the continuation of a Termination Event, either DIP Agent may (and any automatic stay otherwise applicable to the DIP Secured Parties,

whether arising under sections 105 or 362 of the Bankruptcy Code or otherwise, but subject to the terms of this Interim Order (including this paragraph) is hereby modified, without further notice to, hearing of, or order from this Court, to the extent necessary to permit each DIP Agent to, upon delivery of written notice (a "Termination Notice") (including by e-mail) to lead restructuring counsel to the Debtors, lead restructuring counsel to the other DIP Agent, lead restructuring counsel to the other applicable DIP Secured Parties, lead restructuring counsel to any Committee, lead restructuring counsel to the Prepetition RBL Agent, lead restructuring counsel to the Prepetition Senior Secured Collateral Agent, lead restructuring counsel to the Prepetition FLMO Term Loan Agent, lead restructuring counsel to the Prepetition FLLO Term Loan Agent, lead restructuring counsel to the Prepetition Second Lien Collateral Trustee and the U.S. Trustee, (the "Remedies Notice Parties"), unless the Court orders otherwise prior to five (5) business days after delivery of such Termination Notice (such five (5) business day period, the "Remedies Notice Period"): (a) immediately terminate and/or revoke the Debtors' right under this Interim Order and any other Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable, to use any Cash Collateral; (b) terminate the applicable DIP Facility and any applicable DIP Loan Document as to any future liability or obligation of the Senior DIP Secured Parties or Junior DIP Secured Parties, as applicable, but without affecting any of the DIP Obligations or the DIP Liens securing such DIP Obligations; (c) declare all Senior DIP Obligations or Junior DIP Obligations, as applicable, to be immediately due and payable; and (d) invoke the right to charge interest at the default rate under the Senior DIP Loan Documents or Junior DIP Loan Documents, as applicable. Upon delivery of such Termination Notice by either DIP Agent, without further notice or order of the Court, the DIP Secured Parties' and the Prepetition Secured Parties' consent to use Cash Collateral and the Debtors' ability to incur additional DIP Obligations hereunder will, subject to the expiration of the

Remedies Notice Period, automatically terminate and the DIP Secured Parties will have no obligation to provide any DIP Loans or other financial accommodations.

(b) Following a Termination Event, but prior to exercising the remedies set forth in this sentence below, the Senior DIP Secured Parties shall be required to file a motion with the Court seeking emergency relief (the "Stay Relief Motion") on five (5) business days' notice to the Remedies Notice Parties (which shall run concurrently with the Remedies Notice Period) for a further order of the Court modifying the automatic stay in the Chapter 11 Cases to permit the Senior DIP Secured Parties (but not the Junior DIP Secured Parties) to: (a) freeze monies or balances in the Debtors' accounts; (b) immediately set-off any and all amounts in accounts maintained by the Debtors with the Senior DIP Agent or the Senior DIP Secured Parties against the Senior DIP Obligations, (c) enforce any and all rights against the DIP Collateral, including, without limitation, foreclosure on all or any portion of the DIP Collateral, collection of accounts receivable, occupying the Debtors' premises, sale or disposition of the DIP Collateral; and (d) take any other actions or exercise any other rights or remedies permitted under this Interim Order, the Senior DIP Loan Documents or applicable law. The rights and remedies of the Senior DIP Secured Parties specified herein are cumulative and not exclusive of any rights or remedies that the Senior DIP Secured Parties have under the Senior DIP Loan Documents or otherwise. If the Senior DIP Secured Parties are permitted by the Court to take any enforcement action with respect to the DIP Collateral following the hearing on the Stay Relief Motion, the Debtors shall cooperate with the Senior DIP Secured Parties in their efforts to enforce their security interest in the DIP Collateral, and shall not take or direct any entity to take any action designed or intended to hinder or restrict in any respect such Senior DIP Secured Parties from enforcing their security interests in the DIP Collateral. Until the Discharge of Senior DIP Obligations, the Junior DIP Agent and Junior DIP

Secured Parties shall not have the right to exercise or enforce any rights and remedies against the Debtors or the DIP Collateral (other than as set forth in paragraph 22(a) above). Following the Discharge of Senior DIP Obligations, the Junior DIP Agent on behalf of the Junior DIP Secured Parties may exercise the rights and remedies set forth in this paragraph 22(b).

(c) Notwithstanding anything herein to the contrary in this Interim Order or any DIP Loan Document, until the Senior DIP Obligations are indefeasibly paid in full in cash (other than (i) secured hedge obligations that, at the time of such determination, are allowed by the person to whom such secured hedge obligations are owing to remain outstanding or are not required to be repaid or cash collateralized pursuant to the provisions of any document governing such secured hedge obligations or have been assigned or novated concurrently with such payment, (ii) secured cash management obligations and (iii) contingent indemnification obligations not then due and payable), the commitments to advance credit thereunder are terminated and all issued and undrawn DIP Letters of Credit are replaced or cash collateralized in accordance with the Senior DIP Credit Agreement (collectively, the "Discharge of Senior DIP Obligations"), the Junior DIP Agent and the Junior DIP Secured Parties shall not receive or retain any payments, distributions or other amounts on account of the Junior DIP Obligations (other than the agency fees, the upfront fee, the Exit Premium and expenses payable under the Junior DIP Loan Documents and this Interim Order, including professional fees and expenses), whether such payments, distributions or amounts are from proceeds of the DIP Collateral or refinancing of the Junior DIP Facility or from any other source (including debt or equity issued or distributed in connection with a plan of reorganization or any proceeds of such debt or equity) and whether such payments, distributions or amounts are distributed or made in connection with or pursuant to a plan of reorganization or liquidation, sale pursuant to section 363 of the Bankruptcy Code, foreclosure or otherwise. If the

Junior DIP Agent or any Junior DIP Secured Parties receive any payments, distributions or other amounts in violation of this paragraph 22(c), then the Junior DIP Agent (to the extent the Junior DIP Agent has actual notice of such violation and has not distributed such amounts to the other Junior DIP Secured Parties) or such Junior DIP Secured Party, as applicable, shall hold such amounts in trust for the benefit of the Senior DIP Agent, the Senior DIP Secured Parties, the Prepetition RBL Agent and the Prepetition RBL Secured Parties and shall promptly turn over such amounts to the Senior DIP Agent. Notwithstanding the foregoing, so long as a Senior DIP Event of Default has not occurred and is continuing, the Junior DIP Secured Parties shall be entitled to receive interest at the contract rate as and when due and the upfront fee in connection with the closing of the Junior DIP Facility. For any Prepetition RBL Obligations that remain outstanding after the closing of the Junior DIP Facility, including any amount due and payable on account of indemnity claims that are Prepetition RBL Obligations and any Prepetition RBL Obligations that are subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid, the liens securing such Prepetition RBL Obligations shall be subordinate to the Senior DIP Liens and the Junior DIP Liens; ***provided*** that, any such Prepetition RBL Obligations shall be (i) deemed Senior DIP Obligations for all purposes of this paragraph 22 and (ii) subject to the Senior DIP Purchase Option (as defined below) (notwithstanding anything to the contrary in the Collateral Agency Agreement). The term "Discharge of Senior DIP Obligations" as used in this Interim Order shall be deemed to require the repayment of such Prepetition RBL Obligations in full in cash.

(d) The payment in full of the Prepetition RBL Obligations on and at all times following the Closing Date with the proceeds of the DIP Facilities as set forth in the DIP Loan Documents and this Interim Order shall constitute a "Discharge of Existing Senior Obligations"

subject to, and as such term is defined in, the Collateral Agency Agreement for all purposes thereunder.

(e) *Senior DIP Purchase Option*. At any time upon written notice to the Senior DIP Agent (the "Senior DIP Purchase Notice"), any group of Junior DIP Lenders holding a majority in principal amount of the Junior DIP Loans or any group of Prepetition FLMO Term Loan Lenders holding a majority in principal amount of the Prepetition FLMO Term Loans (any such group, the "Senior DIP Purchasers") shall have the right, without the consent of the Debtors, to purchase from the Senior DIP Secured Parties all (but not less than all) Senior DIP Obligations (including, for the avoidance of doubt and notwithstanding anything to the contrary herein or in the Collateral Agency Agreement all Senior DIP Obligations that are refinanced, refunded, or replaced) (such right, the "Senior DIP Purchase Option") for a purchase price in an amount equal to (i) the amount of Senior DIP Obligations outstanding (including principal, fees, reasonable attorneys' fees and legal expenses (but excluding contingent indemnification obligations for which no claim or demand for payment has been made at or prior to such time, *provided* that "Senior DIP Obligations" shall include all contingent or actual rights and claims relating to, arising from, or in connection with the reservation of rights under paragraph 29, whether asserted as Senior DIP Obligations, Prepetition RBL Obligations, or otherwise, *provided further* that in the case of secured hedge obligations, the Senior DIP Purchasers shall cause the applicable agreements governing such hedge obligations to be assigned and novated or, if such agreements have been terminated, such purchase price shall include an amount equal to the sum of any unpaid amounts then due in respect of such hedge obligations, calculated using the market quotation method and after giving effect to any netting arrangements and (ii) a cash collateral deposit in such amount as the Senior DIP Agent determines is reasonably necessary to secure the payment of any outstanding letters of credit

constituting Senior DIP Obligations that may be come due and payable after such sale (but in any event in an amount not to exceed 105% of the amount then reasonably estimated by the Senior DIP Agent to be the aggregate outstanding amount of such letters of credit at such time), which cash collateral shall be (A) held by the Senior DIP Agent as security solely to reimburse the issuers of letters of credit that become due and payable after such sale and any fees and expenses incurred in connection with such letters of credit and (B) returned to the Senior DIP Purchasers (except as otherwise be required by applicable law or any order of any court or other governmental authority) promptly after the expiration or termination from time to time of all payment contingencies affecting such letters of credit. The Senior DIP Purchasers shall have twenty (20) Business Days following delivery of the Senior DIP Purchase Notice to consummate the purchase of the Senior DIP Obligations contemplated by this paragraph 22(e) and the right to purchase the Senior DIP Obligations under this paragraph 22(e) shall terminate thereafter unless such twenty (20) Business Day period is extended by the Senior DIP Agent in its sole discretion, provided that if the Senior DIP Purchasers shall fail to consummate such purchase within such twenty (20) Business Day period, no Junior DIP Lenders or Prepetition FLMO Term Loan Lenders shall be permitted to exercise the Senior DIP Purchase Option until the date that is at least five (5) Business Days following the expiration of such twenty (20) Business Day period.

(f) *Junior DIP Purchase Option*. Upon written notice to the Junior DIP Agent (the "Junior DIP Purchase Notice") any group of Prepetition FLMO Term Loan Lenders holding a majority in aggregate principal amount of the Prepetition FLMO Term Loans (the "Junior DIP Purchasers") shall have the right, without the consent of the Debtors, to purchase from the Junior DIP Secured Parties all (but not less than all) Junior DIP Obligations (including, for the avoidance of doubt and notwithstanding anything to the contrary herein all Junior DIP Obligations that are

refinanced, refunded, or replaced (such right, the "Junior DIP Purchase Option") for a purchase price in an amount equal to the amount of Junior DIP Obligations outstanding (including principal, fees, reasonable attorneys' fees and legal expenses (but excluding contingent indemnification obligations for which no claim or demand for payment has been made at or prior to such time)). The Junior DIP Purchasers shall have twenty (20) Business Days following delivery of the Junior DIP Purchase Notice to consummate the purchase of the Junior DIP Obligations contemplated by this paragraph 22(f) and the right to purchase the Junior DIP Obligations under this paragraph 22(f) shall terminate thereafter unless such twenty (20) Business Day period is extended by the Majority Junior DIP Lenders in their sole discretion; provided that if the Junior DIP Purchasers shall fail to consummate such purchase within such twenty (20) Business Day period, no Prepetition FLMO Term Loan Lenders shall be permitted to exercise the Junior DIP Purchase Option until the date that is at least five (5) Business Days following the expiration of such twenty (20) Business Day period.

(g) In connection with the Senior DIP Purchase Option and the Junior DIP Purchase Option, the Senior DIP Purchasers or the Junior DIP Purchasers, as applicable, shall deliver to the applicable DIP Agent any customary agreements, documents or instruments to which the applicable DIP Agent may reasonably request pursuant to which the Senior DIP Purchasers or the Junior DIP Purchasers, as applicable, shall expressly assume and adopt all obligations of the applicable DIP Agent and DIP Secured Parties.

(h) Notwithstanding anything to the contrary contained in this Order, upon the occurrence and continuation of Termination Event, the DIP Lenders, the Prepetition Senior Loan Parties, or their agents, may enter upon a leased premises for the purposes of exercising remedies after an Event of Default only in accordance with (a) a separate written agreement by and between

the DIP Lender or Prepetition Senior Loan Parties, as applicable, and any applicable landlord; (b) pre-existing rights of the DIP Lender or Prepetition Senior Loan Parties, as applicable, and any applicable landlord under applicable non-bankruptcy law, (c) consent of the applicable landlords, or (d) entry of an order of this Court obtained by motion of the applicable DIP Lender, Prepetition Senior Loan Parties, or their agents, on such notice to the landlord as shall be required by this Court.

23. Good Faith under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Interim Order. The DIP Secured Parties have acted in good faith in connection with the DIP Facilities, the DIP Loan Documents, the interim financing provided by the DIP Facilities, and with this Interim Order, and their reliance on this Interim Order is in good faith. Based on the findings set forth in this Interim Order and the record made during the Interim Hearing, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Interim Order are hereafter modified, reversed, amended or vacated by a subsequent order of the Court or any other court, the DIP Secured Parties and the Prepetition Secured Parties are entitled to the benefits and protections provided in section 364(e) of the Bankruptcy Code. Any such modification, reversal, amendment or vacatur shall not affect the validity and enforceability of any advances previously made or made hereunder, or lien, claim or priority authorized or created hereby. Any security interests, liens or claims granted to the DIP Secured Parties arising prior to the effective date of any such modification, reversal, amendment or vacatur of this Interim Order shall be governed in all respects by the original provisions of this Interim Order, including entitlement to all rights, remedies, privileges and benefits granted herein.

24. DIP and Other Expenses. The Debtors are authorized and directed to pay, in cash and on a current basis, all reasonable and documented fees, costs, disbursements and expenses of

the DIP Agents and the Ad Hoc First Lien Group incurred at any time, to the extent provided by the DIP Loan Documents and this Interim Order, whether or not the transactions contemplated hereby are consummated, including, without limitation, legal, accounting, collateral examination, monitoring and appraisal fees and expenses, agency fees, financial advisory fees and expenses, fees and expenses of other consultants and indemnification and reimbursement of fees and expenses (including, without limitation, the reasonable and documented prepetition and postpetition fees, costs and expenses of (A) Simpson Thacher and Norton Rose Fulbright; (B) Opportune; (C) Davis Polk, Haynes and Boone, Cox Castle, Trimeric, Cornerstone, ERM, and Rapp & Krock; (D) Evercore; (E) Ropes & Gray, and (F) any other necessary or appropriate counsel, advisors, professionals or consultants in connection with advising the DIP Agents or the Ad Hoc First Lien Group (collectively the "DIP Secured Party Advisors")). The invoices for such fees and expenses shall not be required to comply with the U.S. Trustee guidelines, may be in summary form only (and may contain redactions of privileged, confidential or otherwise sensitive information), and shall not be subject to application or allowance by the Court. Such fees and expenses shall not be subject to any offset, defense, claim, counterclaim or diminution of any type, kind or nature whatsoever. The invoices for fees and expenses to be paid pursuant to this paragraph 24 shall be provided to the Fee Notice Parties. Within ten (10) calendar days after delivery of such invoices, the ("Fee Objection Period"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors. If an objection (solely as to reasonableness) is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, then only the disputed portion of such fees and expenses shall not be paid until the objection is resolved by the applicable parties in good faith or by order of the Court, and the undisputed portion shall be promptly paid by the Debtors.

Notwithstanding the foregoing, the Debtors are authorized and directed to pay on the Closing Date the fees and expenses of the DIP Secured Party Advisors incurred on or prior to such date without the need to provide notice to any other party or otherwise comply with the procedures set forth in this paragraph 24.

25. Indemnification. The Debtors are authorized to jointly and severally indemnify and hold harmless each of the DIP Agents (solely in their capacity as DIP Agents), each DIP Secured Party (solely in its capacity as a DIP Secured Party) and each other party entitled to an indemnity in accordance and subject to the terms and conditions set forth in the DIP Credit Agreements.

26. Proofs of Claim. The DIP Secured Parties and each of the Prepetition Secured Parties shall not be required to file proofs of claim in any of the Chapter 11 Cases or any Successor Cases for any claim against the Debtors for payment of the Prepetition Obligations arising under the Prepetition Debt Documents. The statements of claims in respect of such indebtedness set forth in this Interim Order, together with any evidence accompanying this Motion and presented at the Interim Hearing, are deemed sufficient to and do constitute proofs of claim in respect of such debt and such secured status. However, in order to facilitate the processing of claims, to ease the burden upon the Court and to reduce any unnecessary expense to the Debtors' estates, each of the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent and Prepetition Second Lien Collateral Trustee is authorized to file in the Debtors' lead chapter 11 case *In re California Resources Corporation*, Case No. 20-33568 (DRJ), a master proof of claim on behalf of its respective Prepetition Secured Parties on account of any and all of their respective claims arising under the applicable Prepetition Debt Documents and hereunder (each, a "Master Proof of Claim") against each of the Debtors. Upon the filing of any such Master Proof of Claim, the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan

Agent or Prepetition Second Lien Collateral Trustee, as applicable, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims of any type or nature whatsoever with respect to the applicable Prepetition Debt Documents, and the claim of each applicable Prepetition Secured Party (and each of its successors and assigns) named in a Master Proof of Claim shall be treated as if such entity had filed a separate proof of claim in each of the Chapter 11 Cases. The Master Proofs of Claim shall not be required to identify whether any such party acquired its claim from another party and the identity of any such party or to be amended to reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from the transfer of all or any portion of such claims. The Master Proofs of Claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by each of the Debtors to the applicable Prepetition Secured Parties. Any proof of claim filed by the Prepetition RBL Agent, Prepetition FLMO Term Loan Agent, Prepetition FLLO Term Loan Agent or Prepetition Second Lien Collateral Trustee shall be deemed to be in addition to and not in lieu of any other proof of claim that may be filed by any of the Prepetition Secured Parties. Any order entered by the Court in relation to the establishment of a bar date in any of the Chapter 11 Cases or Successor Cases shall not apply to the DIP Secured Parties or Prepetition Secured Parties.

27. Carve Out.

(a) *Carve Out*. Subject to the terms and conditions set forth herein, the DIP Liens, Superpriority DIP Claims, Prepetition Liens, Adequate Protection Liens and Adequate Protection Claims shall be subject to the payment of the Carve Out. As used in this Interim Order, the "Carve Out" means, without duplication, the following expenses, subject, in each case, to application of any retainers that may be held by the applicable professionals as well as proceeds

from unencumbered assets then currently available: (I) the payment of unpaid fees, expenses and disbursements incurred after delivery of a Carve Out Trigger Notice (as defined below) in connection with the Chapter 11 Cases by professionals employed by the Debtors pursuant to sections 327, 328 or 363 of the Bankruptcy Code and by professionals employed by any Committee pursuant to sections 328 or 1103 of the Bankruptcy Code in the aggregate amount not in excess of $7 million for all such professionals (the "Case Professionals") to the extent such fees, expenses and disbursements are allowed by the Court at any time, regardless of whether allowed by interim order, procedural order or otherwise, excluding for purposes of this clause (I) any success fee, completion fee, transaction fee or similar investment banking fee (the amounts described in this clause (I), the "Wind-Down Carve Out Amounts"); (II) all accrued and unpaid professional fees and disbursements incurred by Case Professionals on or prior to the delivery of a Carve Out Trigger Notice to the extent allowed by the Court at any time, regardless of whether allowed by interim order, procedural order or otherwise (the amounts described in this clause (II), collectively, the "Pre-Trigger Amount Professional Fees"); (III) all fees to be paid to the clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. § 1930 and 31 U.S.C. § 3717 plus interest at the statutory rate; and (IV) all reasonable and documented fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in aggregate amount not in excess of $100,000. As used in this Interim Order, the term "Carve Out Trigger Notice" means the delivery by the Senior DIP Agent of a written notice to the Debtors, the U.S. Trustee and counsel to any Committee following the occurrence and during the continuation of a Termination Event, expressly stating that the Wind-Down Carve Out Amounts are invoked. Upon the Debtors' receipt of a Carve Out Trigger Notice, the Wind-Down Carve Out Amounts and the Pre-Trigger Amount Professional Fees (collectively, the "Carved-Out Professional Fees") shall immediately be funded by the Debtors to an

escrow account (the "Professional Fee Escrow") with an escrow agent selected by the Debtors and approved by the Senior DIP Agent (which such approval shall not be unreasonably withheld, conditioned or delayed) pursuant to an escrow agreement reasonably acceptable to the Senior DIP Agent, from any and all available Cash Collateral or cash held by the Debtors and, if the then-available cash and Cash Collateral is not sufficient to cover the Carved-Out Professional Fees, the first proceeds from the sale of the DIP Collateral until the Carved-Out Professional Fees are fully funded into the Professional Fee Escrow; *provided*, that the funding of the Pre-Trigger Amount Professional Fees into the Professional Fee Escrow shall be based on good faith estimates obtained by the applicable professionals. The Professional Fee Escrow shall be subject to a first-priority lien securing the Carved-Out Professional Fees, a second priority lien securing the Senior DIP Obligations, a third priority lien securing the Junior DIP Obligations and a fourth priority lien securing the Adequate Protection Claims. Notwithstanding anything to the contrary herein, upon the delivery of a Carve Out Trigger Notice, the Senior DIP Agent or the Junior DIP Agent shall be required to transfer cash that it sweeps, receives or forecloses upon at any time from and after the delivery of a Carve Out Trigger Notice into the Professional Fee Escrow until such time as the Carved-Out Professional Fees have been fully funded into the Professional Fee Escrow. For the avoidance of doubt, upon delivery of a Carve Out Trigger Notice, in no instance shall any DIP Obligations or Prepetition Obligations be repaid until the Professional Fee Escrow is fully funded or as further set forth in other order(s) of the Court. So long as no Carve Out Trigger Notice has been delivered, the Debtors shall be permitted to pay compensation and reimbursement of expenses to Case Professionals allowed and payable under sections 330 and 331 of the Bankruptcy Code, but solely to the extent the same are allowed at any time by the Court, regardless of whether allowed by interim order, procedural order or otherwise; *provided*, that, for the avoidance of doubt, the

payment of such compensation and reimbursement of such expenses prior to the delivery of a Carve Out Trigger Notice shall not reduce the applicable Wind-Down Carve Out Amount. No portion of the Carve Out may be used in contravention of the restrictions or the limitations on the use of the Carve Out set forth in this Interim Order.

(b) The DIP Agents and the DIP Lenders shall retain automatically perfected and continuing security interests in any residual amount in the Professional Fee Escrow Account available following satisfaction in full of all obligations benefiting from the Carve-Out (the "Residual Carve-Out Amount"). Promptly (but in no event later than 5 business days) following the satisfaction in full of all obligations benefiting from the Carve-Out, the Debtors shall deliver the Residual Carve-Out Amount, if any, to the Senior DIP Agent (or, following a Discharge of Senior DIP Obligations, the Junior DIP Agent).

(c) *No Direct Obligation to Pay Professional Fees.* Neither the DIP Agents, the DIP Secured Parties nor the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Case Professionals incurred in connection with the Chapter 11 Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Agents, DIP Secured Parties or Prepetition Secured Parties in any way to pay compensation to or to reimburse expenses of any Case Professionals, or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(d) *Payment of Carve Out After Carve Out Trigger Notice.* Any payment or reimbursement made on or after the date of the delivery of the Carve Out Trigger Notice in respect of any Carved-Out Professional Fees accrued or incurred after delivery of the Carve Out Trigger Notice shall permanently reduce the Wind-Down Carve Out Amount on a dollar-for-dollar basis.

28. Limitations on the DIP Facilities, the DIP Collateral, the Prepetition Collateral, the Cash Collateral and the Carve Out. No DIP Collateral, Prepetition Collateral, DIP Loans, Cash

Collateral, proceeds of any of the foregoing, any portion of the Carve Out or any other amounts may be used, directly or indirectly, by any of the Debtors, any Committee, if any, or any trustee or other estate representative appointed in the Chapter 11 Cases or any Successor Cases or any other person or entity (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith): (a) to object to, prevent, hinder, or delay the DIP Agents', the DIP Secured Parties' enforcement or realization upon any of the DIP Collateral, Prepetition Collateral or Cash Collateral, once a Termination Event occurs; (b) to use or seek to use Cash Collateral other than as provided pursuant to this Interim Order or, except to the extent permitted under the terms of the DIP Loan Documents, selling or otherwise disposing of DIP Collateral, in each case, without the consent of both DIP Agents; (c) to seek authorization to obtain liens or security interests that are senior to, or on a parity with, the DIP Liens or the Superpriority DIP Claims, the Adequate Protection Liens, the Adequate Protection Claims or the Prepetition Liens; (d) to request or seek any modification of this Interim Order in any manner not approved by both DIP Agents to the extent such modification would adversely affect the rights of the DIP Secured Parties or the Prepetition Secured Parties; or (e) to investigate (including by way of examinations or discovery proceedings), prepare, assert, join, commence, support or prosecute any challenge (including any litigation or other action) for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against any or all of the DIP Agents, DIP Secured Parties or Prepetition Secured Parties, or their respective affiliates, assigns or successors and the respective officers, directors, employees, agents, attorneys, representatives and other advisors of the foregoing, with respect to any transaction, occurrence, omission, action or other matter (including formal or informal discovery proceedings in anticipation thereof) with respect to (A) any claims or causes of action arising under

chapter 5 of the Bankruptcy Code, (B) any so-called "lender liability" claims and causes of action, (C) any action with respect to the amount, validity, enforceability, priority and extent of, or asserting any defense, counterclaim, or offset to, the DIP Obligations, the Superpriority DIP Claims, the DIP Liens, the DIP Loan Documents, the Adequate Protection Liens, the Adequate Protection Claims, the Prepetition RBL Loan Documents, the Prepetition RBL Obligations, the Prepetition FLMO Term Loan Documents, the Prepetition FLMO Obligations, the Prepetition FLLO Term Loan Documents, the Prepetition FLLO Obligations, the Prepetition Senior Liens, the Prepetition FLLO Liens, the Prepetition Second Lien Documents, the Prepetition Second Lien Note Obligations or the Prepetition Second Liens, (D) any action seeking to challenge, invalidate, modify, set aside, avoid, marshal, recharacterize or subordinate (other than as contemplated by the Intercreditor Agreements), in whole or in part, the DIP Obligations, the DIP Liens, the Superpriority DIP Claims, the DIP Collateral, the Prepetition Collateral, the Prepetition Liens, the Adequate Protection Liens, the Adequate Protection Claims or the Prepetition Obligations, (E) any action seeking to modify any of the rights, remedies, priorities, privileges, protections and benefits granted to the DIP Secured Parties hereunder or under any of the DIP Loan Documents or prepetition agreements including the Elk Hills Power Agreements (as defined in the Restructuring Support Agreement) or to any of the Prepetition Secured Parties hereunder or under any of the Prepetition Debt Documents (in each case, including, without limitation, claims, proceedings or actions that might prevent, hinder or delay any of the DIP Agents' or the DIP Lenders' assertions, enforcements, realizations or remedies on or against the DIP Collateral in accordance with the applicable DIP Loan Documents and this Interim Order and/or the Final Order (as applicable)), or (F) objecting to, contesting, or interfering with, in any way, the DIP Agents' and the DIP Secured Parties' enforcement or realization upon any of the DIP Collateral once a Senior DIP Event of Default or Junior DIP Event of Default has occurred;

provided, *however*, that no more than $75,000 in the aggregate of the DIP Collateral, the Carve Out, and proceeds from the borrowings under the DIP Facilities or Prepetition Collateral, may be used by any Committee to investigate claims and/or liens of the Prepetition Secured Parties. For the avoidance of doubt, the Debtor reserves the right to contest, and to use Cash Collateral to contest, the existence or extent of any Diminution in Value for purposes of any Adequate Protection Claim or Adequate Protection Lien.

29. Reservation of Certain Third Party Rights and Bar of Challenges and Claims.

(a) Each stipulation, admission, and agreement contained in this Interim Order including, without limitation, the Debtors' stipulations set forth in paragraph E hereof (collectively, the "Stipulations"), shall be binding on the Debtors upon entry of this Interim Order. The Stipulations shall be binding on any successor to the Debtors (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases) under all circumstances and for all purposes, and the Debtors are deemed to have irrevocably waived and relinquished all Challenges (as defined below) as of the Petition Date.

(b) Upon expiration of the Challenge Period (as defined below), the Stipulations shall be binding upon all other parties in interest (including without limitation, any Committee, if appointed) and any other person or entity acting or seeking to act on behalf of the Debtors' estates, in all circumstances and for all purposes, unless (1) any Committee or a party in interest (in each case, to the extent requisite standing is obtained pursuant to an order of this Court entered prior to the expiration of the Challenge Period) has timely and duly filed an adversary proceeding or contested matter (subject to the limitations contained herein) (each, a "Challenge Proceeding") by the expiration of the Challenge Period (as defined below), objecting to or challenging the amount,

validity, perfection, enforceability, priority or extent of the Prepetition Obligations, the Prepetition Liens or the Prepetition Debt Documents, or otherwise asserting or prosecuting any avoidance action or any other claim, counterclaim, cause of action, objection, contest or defense (a "Challenge") against any of the Prepetition Secured Parties, or any of their respective affiliates, subsidiaries, officers, directors, managers, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and the respective successors and assigns thereof (in each case, in their respective capacities as such), arising under, in connection with or related to the Prepetition Obligations, the Prepetition Liens or the Prepetition Debt Documents and (2) there is entered a final non-appealable order in favor of the plaintiff in any such timely filed Challenge Proceeding; *provided*, *however*, that any pleadings filed in any Challenge Proceeding shall set forth with specificity the basis for such Challenge (and any Challenges not so specified prior to the expiration of the Challenge Period shall be deemed forever, waived, released and barred).

(c) Only those parties in interest who properly obtain standing and commence a Challenge within the Challenge Period may prosecute such Challenge. As to (x) any parties in interest, including any Committee, who do not obtain standing and fail to file a Challenge prior to the expiration of the Challenge Period, or if any such Challenge is filed and overruled, or (y) any and all matters that are not expressly the subject of a timely Challenge: (1) any and all such Challenges by any party (including, without limitation, any Committee, any chapter 11 trustee, any examiner or any other estate representative appointed in the Chapter 11 Cases, or any chapter 7 trustee, any examiner or any other estate representative appointed in any Successor Cases), shall be deemed to be forever waived and barred; (2) all of the findings, Debtors' stipulations, waivers, releases, affirmations and other Stipulations hereunder as to the priority, extent, allowability, validity and perfection as to all Prepetition Obligations, Prepetition Liens and Prepetition Debt Documents,

shall be of full force and effect and forever binding upon the applicable Debtors' bankruptcy estates and all creditors, interest holders and other parties in interest in the Chapter 11 Cases and any Successor Cases; (3) the Debtors' estates, all creditors, interest holders and other parties in interest in the Chapter 11 Cases and any Successor Cases shall be deemed to have released, waived and discharged the Prepetition Secured Parties (in each case, whether in their prepetition or postpetition capacity), together with each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders, and employees, from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, the Prepetition Obligations; (4) the Prepetition Obligations shall constitute allowed claims and shall not be subject to any defense, claim, counterclaim, recharacterization, subordination, offset, avoidance, for all purposes in these Chapter 11 Cases and any Successor Cases; (5) the Prepetition Debt Documents shall be deemed to have been valid, as of the Petition Date, and enforceable against each of the Debtors in the Chapter 11 Cases and any Successor Cases; and (6) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, security interests and liens, not subject to recharacterization, subordination, avoidance or other defense;

(d) The "Challenge Period" shall mean the earlier of (a) sixty (60) days after the formation of any Committee, but in no event later than seventy-five (75) days after the Petition Date, (b) if no Committee is formed, seventy-five (75) days after the Petition Date and (c) the date of confirmation of a chapter 11 plan. The Challenge Period may only be extended (A) with the written consent of the Prepetition RBL Agent with respect to the Prepetition RBL Obligations, the

Prepetition RBL Loan Documents or the Prepetition Senior Liens; the Prepetition FLMO Term Loan Agent with respect to the Prepetition FLMO Obligations, the Prepetition FLMO Term Loan Documents or the Prepetition Senior Liens; the Prepetition FLLO Term Loan Agent with respect to the Prepetition FLLO Obligations, the Prepetition FLLO Term Loan Documents or the Prepetition FLLO Liens; or the Prepetition Second Lien Collateral Trustee with respect to the Prepetition Second Lien Obligations, the Prepetition Second Lien Documents or the Prepetition Second Liens, or (B) by the Court, upon a motion for cause shown, in each case, prior to the expiration of the Challenge Period.

(e) In the event there is a timely successful Challenge by a final non-appealable order, pursuant and subject to the limitations contained in this paragraph 29, to the repayment of any of the Prepetition RBL Obligations pursuant to this Interim Order based upon a successful challenge to the validity, enforceability, extent, perfection or priority of the Prepetition RBL Obligations or the liens securing the same, this Court shall determine the remedies as to the portion of the Prepetition RBL Obligations subject to the successful Challenge, which may include the unwinding the repayment of and reinstating such Prepetition RBL Obligations, and all parties' rights are fully reserved in respect of any such potential remedies . If any amount of Prepetition RBL Obligations are reinstated or required to be repaid to the Debtors or any third party, any portion of such Prepetition RBL Obligations that are secured by valid and enforceable liens shall benefit from the RBL Adequate Protection Claims and the RBL Adequate Protection Liens and the Prepetition RBL Agent reserves all of its rights to seek additional or different adequate protection.

(f) Notwithstanding anything to the contrary herein: (x) if any Challenge is timely commenced and standing is timely obtained, the Stipulations shall, upon expiration of the

Challenge Period, nonetheless remain binding and preclusive (as provided in paragraph 29(b) hereof) on all parties-in-interest (other than the party that has brought such Challenge in connection therewith and then only with respect to the Stipulations that are subject to the Challenge and not to any Stipulations not subject to the Challenge), except to the extent that such Stipulations were expressly and successfully challenged in such Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction; and (y) the Prepetition Secured Parties reserve all of their respective rights to contest on any grounds any Challenge and preserve any and all of their rights to appeal and stay any orders issued in connection with a successful Challenge. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including any Committee or any non-statutory committees appointed in the Chapter 11 Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates, and all rights to object to such standing are expressly reserved.

30. No Third Party Rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect or incidental beneficiary.

31. Section 506(c). In partial consideration for, among other things, the Carve Out and the payments made under the Approved Budget to administer the Chapter 11 Cases with the use of Cash Collateral, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases at any time shall be charged against the DIP Secured Parties or the Prepetition Secured Parties, any of the DIP Obligations or the Prepetition Obligations, or any of the DIP Collateral or the Prepetition Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise for any costs and expenses incurred in connection with the preservation, protection, enhancement or realization by the DIP Secured Parties upon the DIP Collateral, or by the Prepetition

Secured Parties upon the Prepetition Collateral, as applicable or otherwise, without the prior express written consent of the affected DIP Agent, Prepetition RBL Agent, Prepetition Senior Secured Collateral Agent, Prepetition FLLO Term Loan Agent, Prepetition FLMO Term Loan Agent or Prepetition Second Lien Collateral Trustee, in their sole discretion (but subject to the Intercreditor Agreements where applicable), provided that the foregoing shall be without prejudice to the terms of the Final Order with respect to the period from and after entry of the Final Order. For the avoidance of doubt, consent to the Carve Out or the approval of any budget hereunder shall not be deemed a consent under this paragraph. Nothing contained in this Interim Order shall be deemed to consent by the Senior DIP Agent, the Junior DIP Agent, the DIP Secured Parties, or the Prepetition Secured Parties to any charge, lien, assessment, or claims against any DIP Collateral, under section 506(c) of the Bankruptcy Code or otherwise.

32. Section 552(b). The Prepetition Secured Parties are and shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties or the Prepetition Obligations, provided that the foregoing shall be without prejudice to the terms of the Final Order with respect to the period from and after the entry of the Final Order.

33. Waiver of Marshaling for DIP Secured Parties. Subject to entry of the Final Order, the DIP Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to any of the DIP Collateral. All parties preserve until the Final Order any rights they may have (and solely to the extent they are not contractually prohibited from doing so) to argue that the DIP Lenders should be required under the equitable doctrine of marshalling or any similar equitable remedy to look first to currently encumbered assets for repayment of, or recovery on, the DIP Loans.

34. Waiver of Marshaling for Prepetition Secured Parties. Subject to the Final Order, in no event shall the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to any of the Prepetition Collateral, *provided*, that, in the event that either (x) the Restructuring Support Agreement has been terminated by the Debtors due to a material breach by the Required Consenting Creditors or (y) the Backstop Commitment Agreement has been terminated due to the Backstop Parties terminating their Backstop Commitments, the Prepetition Secured Parties shall be subject to, and retain all arguments and defenses in connection with, such doctrines.

35. Right to Credit Bid. Pursuant to section 363(k) of the Bankruptcy Code, (a) the Senior DIP Agent, on behalf of the Senior DIP Secured Parties (subject to the terms of the Senior DIP Loan Documents) shall have the right to "credit bid" (without the need to submit a deposit) up to the full amount of the Senior DIP Obligations, in connection with any sale or other disposition of all or any portion of the DIP Collateral, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code, and shall automatically be deemed a "qualified bidder" with respect to any such sale or disposition of DIP Collateral; and (b) the Junior DIP Agent, on behalf of the Junior DIP Secured Parties (subject to the terms of the Junior DIP Loan Documents) shall have the right to "credit bid" up to the full amount of the Junior DIP Obligations, in connection with any sale or other disposition of all or any portion of the DIP Collateral, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code but only if such bid by the Junior DIP Agent includes a cash payment

sufficient to provide for the Discharge of Senior DIP Obligations and the Discharge of Senior DIP Obligations occurs immediately after giving effect to such credit bid.

36. Rights Preserved. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly: (a) the rights of the DIP Secured Parties to seek any other or supplemental relief in respect of the Debtors; (b) the rights of the DIP Secured Parties under the DIP Loan Documents, the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Chapter 11 Cases, conversion of any or all of the Chapter 11 Cases to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans of reorganization; or (c) any other rights, claims, or privileges (whether legal, equitable or otherwise) of the DIP Secured Parties; *provided*, that notwithstanding the foregoing, in no event shall the Junior DIP Agent or Junior DIP Secured Parties seek additional or supplemental relief in respect of the Debtors or propose any chapter 11 plan or plan of reorganization, in each case that is inconsistent with the payment priority of the Senior DIP Obligations and Prepetition RBL Obligations set forth in paragraph 22(c). Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors' or any party-in-interest's right to oppose any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Interim Order.

37. Intercreditor Agreements. Nothing in this Interim Order shall amend or otherwise modify the terms or enforceability of the Intercreditor Agreements, including without limitation,

the turnover and bankruptcy-related provisions contained therein, and the Intercreditor Agreements shall each remain in full force and effect. The rights of the Prepetition Secured Parties shall at all times remain subject to the Intercreditor Agreements.

38. No Waiver by Failure to Seek Relief. The failure, at any time or times hereafter, of the DIP Secured Parties and the Prepetition Secured Parties, to require strict performance by the Debtors of any provision of this Interim Order shall not waive, affect or diminish any right of such parties thereafter to demand strict compliance and performance therewith. No delay on the part of any party in the exercise of any right or remedy under this Interim Order shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. No consents by any of the DIP Secured Parties or the Prepetition Secured Parties shall be implied by any inaction or acquiescence by any of the DIP Secured Parties or the Prepetition Secured Parties.

39. Binding Effect of this Interim Order. Immediately upon, and effective as of, entry by the Court, this Interim Order shall inure to the benefit of the Debtors, the DIP Secured Parties and the Prepetition Secured Parties and it shall become valid and binding upon the Debtors, the DIP Secured Parties and the Prepetition Secured Parties and any and all other creditors of the Debtors, any Committee or other committee appointed in the Chapter 11 Cases, any and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed as legal representative of any of the Debtors in any of the Chapter 11 Cases, or upon dismissal of any of the Chapter 11 Cases. Further, upon entry of this Interim Order, the DIP Obligations shall constitute allowed claims for all purposes in each of the Chapter 11 Cases.

40. No Modification to Interim Order. Until and unless the DIP Obligations and the Prepetition RBL Obligations, the Prepetition FLMO Obligations, and the Prepetition FLLO

Obligations have been indefeasibly paid in full in cash, the Debtors irrevocably waive the right to seek and shall not seek or consent to, directly or indirectly: without the prior written consent of the DIP Agents, the Majority Junior DIP Lenders, the Prepetition RBL Agent, Prepetition FLMO Term Lenders holding more than 50% of the loans under the Prepetition FLMO Credit Agreement (the "Required FLMO Term Lenders") and the Prepetition FLLO Term Lenders holding more than 50% of the loans under the Prepetition FLLO Credit Agreement (the "Required FLLO Term Lenders") (a) a priority claim for any administrative expense or unsecured claim against the Debtor (now existing or hereafter arising of any kind or nature whatsoever, including, without limitation any administrative expense of the kind specified in sections 503(b), 506(c), 507(a) or 507(b) of the Bankruptcy Code) in the Chapter 11 Cases, equal or superior to the Superpriority DIP Claims, the RBL Adequate Protection Claims, the FLMO Adequate Protection Claims or the FLLO Adequate Proection Claims other than the Carve Out; (b) any order authorizing the use of Cash Collateral resulting from the DIP Collateral or the Prepetition Collateral that is inconsistent with this Interim Order; or (c) any lien on any of the DIP Collateral or Prepetition Collateral with priority equal or superior to the DIP Liens, the Senior Adequate Protection Liens or the FLLO Adequate Proection Liens except as specifically provided in the DIP Loan Documents or this Interim Order. The Debtors irrevocably waive any right to seek any amendment, vacatur, stay, modification or extension of this Interim Order without the prior written consent, as provided in the foregoing, of the DIP Agents, the Majority Junior DIP Lenders, the Required FLMO Term Lenders and the Required FLLO Term Lenders, and Ares to the extent such amendment, vacatur, stay, modification or extension is adverse to Ares. Until the Discharge of Senior DIP Obligations, the Junior DIP Agent and the Junior DIP Secured Parties may not seek to amend, modify, vacate, supplement or waive the terms of this Interim Order in a manner adverse to the interests or rights of the Senior DIP Secured Parties or,

prior to the Prepetition RBL Obligatoins being discharged, the Prepetition RBL Secured Parties, in either case without the prior written consent of the Senior DIP Agent and the Prepetition RBL Agent, as applicable.

41. Order Controls. In the event of any inconsistency between the terms and conditions of the DIP Loan Documents, any other document or any other order of the Court and of this Interim Order, the provisions of this Interim Order shall govern and control.

42. Limits on Lender Liability. Nothing in this Interim Order or in any of the DIP Loan Documents or the Prepetition Debt Documents or any other documents related to this transaction shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Secured Parties or the Prepetition Secured Parties of any liability for any claims arising from any and all activities by the Debtors in the operation of their businesses in connection with the Debtors' postpetition restructuring efforts.

43. Survival. The provisions of this Interim Order and any actions taken pursuant hereto shall survive, and shall not be modified, impaired or discharged by, entry of any order that may be entered (a) confirming any plan of reorganization in any of the Chapter 11 Cases, (b) converting any or all of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (c) dismissing any or all of the Chapter 11 Cases, or (d) pursuant to which the Court abstains from hearing any of the Chapter 11 Cases. The terms and provisions of this Interim Order, including the claims, liens, security interests, and other protections (as applicable) granted to the DIP Secured Parties and the Prepetition Secured Parties pursuant to this Interim Order, notwithstanding the entry of any such order, shall continue in any of the Chapter 11 Cases, following dismissal of any of the Chapter 11 Cases, or any Successor Cases, and shall maintain their priority as provided by this Interim Order. The DIP Protections (as defined below), as well as the terms and provisions concerning the

reimbursement and indemnification of the DIP Secured Parties shall continue in any of the Chapter 11 Cases following dismissal of any of the Chapter 11 Cases, termination of the provisions of this Interim Order, and/or the indefeasible payment in full of the DIP Obligations.

44. Dismissal. If any order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code), that (i) the rights, privileges, benefits and protections afforded herein and in the DIP Loan Documents, including the DIP Liens and the Superpriority DIP Claims (collectively, the "DIP Protections"), shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order until all DIP Obligations have been paid in full (and that all DIP Protections shall, notwithstanding such dismissal, remain binding on all parties in interest), and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing such DIP Protections.

45. Entry of this Interim Order/Waiver of Applicable Stay. The Clerk of the Court is hereby directed to forthwith enter this Interim Order on the docket of the Court maintained in regard to the Chapter 11 Cases. This Interim Order shall be effective upon its entry and not subject to any stay (all of which are hereby waived), notwithstanding anything to the contrary contained in Bankruptcy Rule 4001(a)(3).

46. Final Hearing. The final hearing with respect to the relief requested in the Motion shall be held on August 14, 2020 at 9:00 A.M. (prevailing Central Time) (the "Final Hearing"). Any objections or responses to entry of the proposed Final Order shall be filed on or before 4:00 p.m. (prevailing Central Time) on _____, 2020 and served on the following parties: (a) the Debtors, California Resources Corporation, 27200 Tourney Road, Suite 200, Santa Clarita, CA 91355 (Attn: Michael L. Preston); (b) proposed counsel to the Debtors,

Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Alexa J. Kranzley) and Vinson & Elkins LLP, 1001 Fannin Street, Suite 2500, Houston, Texas 77002 (Attn: Paul E. Heath); (c) counsel to the administrative agent for the Debtors' Senior DIP Facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 (Attn: Sandy Qusba and Nicholas A. Baker) and Norton Rose Fulbright US LLP, 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201-7932 (Attn: Louis Strubeck and Jason L. Boland); (d) counsel to the Ad Hoc First Lien Group, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York, 11017 (Attn: Damian S. Schaible and Angela M. Libby); (e) counsel to Ares, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, 10022 (Attn: Steven Serajeddini); (f) counsel to the ad hoc group of Prepetition Second Lien Noteholders; (g) counsel to any statutory committee appointed in these chapter 11 cases; (h) the U.S. Trustee; and (i) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. In the event the Court modifies any of the provisions of this Interim Order or other documents following the Final Hearing, such modifications shall not affect the rights and priorities of the DIP Agents and the DIP Lenders pursuant to this Interim Order with respect to the DIP Collateral and any portion of the DIP Facilities that arises, or is incurred or is advanced prior to such modifications (or otherwise arising prior to such modifications), and this Interim Order shall remain in full force and effect except as specifically modified pursuant to the Final Hearing.

47. Effect of this Interim Order. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 and 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

48. Retention of Jurisdiction. The Court shall retain exclusive jurisdiction to hear, determine and, if applicable, enforce the terms of, any and all matters arising from or related to the DIP Facilities and/or this Interim Order.

Annex I

Interim 9019 Order

[See Attached]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re	:	Chapter 11
	:	Case No. (20-_____) (__)
CALIFORNIA RESOURCES CORPORATION, *et al*.,	:	Jointly Administered
Debtors.	:	

INTERIM ORDER (I) AUTHORIZING AND APPROVING THE SETTLEMENT BY AND AMONG THE DEBTORS, ELK HILLS POWER, LLC, ECR CORPORATE HOLDINGS L.P. AND CERTAIN AFFILIATES OF ARES MANAGEMENT LLC, (II) AUTHORIZING THE DEBTORS TO ASSUME THE EHP AGREEMENTS AS AMENDED AND (III) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of California Resources Corporation and its affiliated debtors and debtors-in-possession (collectively, the "Debtors"), for entry of an interim order (this "Interim Order") (a) authorizing and approving the Debtors' entry into the Settlement Agreement, (b) authorizing the Debtors to assume the EHP Agreements, as amended by the EHP LLC Amendment contemplated by the Settlement Agreement, and (c) granting certain related relief; and this Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. § 1334; and venue of these chapter 11 cases and the Motion in this district being proper pursuant to 28

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1 The Debtors in these chapter 11 cases and the last four digits of their U.S. taxpayer identification numbers are: California Resources Corporation (0947); California Heavy Oil, Inc. (4630); California Resources Coles Levee, L.P. (2995); California Resources Coles Levee, LLC (2087); California Resources Elk Hills, LLC (7310); California Resources Long Beach, Inc. (6046); California Resources Mineral Holdings LLC (4443); California Resources Petroleum Corporation (9218); California Resources Production Corporation (5342); California Resources Production Mineral Holdings, LLC (9071); California Resources Real Estate Ventures, LLC (6931); California Resources Royalty Holdings, LLC (6393); California Resources Tidelands, Inc. (0192); California Resources Wilmington, LLC (0263); CRC Construction Services, LLC (7030); CRC Marketing, Inc. (0941); CRC Services, LLC (6989); Monument Production, Inc. (0782); Oso Verde Farms, LLC (7436); Socal Holding, LLC (3524); Southern San Joaquin Production, Inc. (4423); Thums Long Beach Company (1774); Tidelands Oil Production Company LLC (5764). The Debtors' corporate headquarters is located at 27200 Tourney Road, Suite 200, Santa Clarita, CA 91355.

2 Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules, the Bankruptcy Local Rules and the Complex Case Procedures, and that, except as otherwise ordered herein, no other or further notice is necessary; and any objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits; and a hearing having been held to consider the relief requested in the Motion and upon the record of the hearing and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties-in-interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Debtors, EHP and Ares shall continue to perform, and cause their respective affiliates to perform, all of their respective obligations under the EHP Agreements in effect as of the date of the Settlement Agreement in the ordinary course of business consistent with past practices as if these chapter 11 cases had not been commenced, except as expressly provided in the Settlement Agreement.

2. Until the earlier of the termination of the Settlement Agreement in accordance with its terms and effectiveness of a chapter 11 plan of reorganization, the Debtors shall not and shall cause their affiliates not to:

a. develop, promote or otherwise pursue the Bypass Plan;

b. commence any proceeding against EHP or Ares relating to any transfer or conveyance of assets by CRC or CREH to EHP made prior to the date of the Settlement Agreement, including but not limited to claims for fraudulent conveyance or otherwise to avoid such transfers or conveyances and claims related to the EHP Disputes;

c. commence any proceeding to obtain control or ownership of the assets of EHP, including but not limited to claims for recharacterization or substantive consolidation and claims related to the EHP Disputes; or

d. take any action outside of the ordinary course of business, including filing any motion, that is (i) not contemplated by the Settlement Agreement and (ii) adverse to EHP in any material respect, including, but not limited to, any rejection of any EHP Agreements and any such action related to the EHP Disputes.

3. EHP shall pay (i) cash distributions on the Class B Preferred Units to Ares at a rate *per annum* of 9.5%, calculated on an aggregate cumulative liquidation preference for all Class B Preferred Units of $835,131,031 from and after the Petition Date (as may be increased for any unpaid cash distributions after the date of the Settlement Agreement) and otherwise consistent with historical practices; and (ii) cash distributions on account of Ares's ownership of Class A Common Units and Class C Common Units and consistent with historical practices in the case of each of clauses (i) and (ii), at the times and in the manner contemplated by the EHP Agreements in effect as of the date of the Settlement Agreement. EHP will also pay a cash distribution in the ordinary course after the Petition Date with respect to the period from July 1, 2020 through the Petition Date at a rate, and in a manner, consistent with past practice.

4. The Debtors are authorized and empowered to execute and deliver such documents, and to take and perform all actions necessary to implement and effectuate the relief granted in this Interim Order.

5. The Debtors shall promptly pay in cash, to the extent not paid in accordance with the RSA, all reasonable and documented fees, costs and expenses incurred by Ares in connection with the implementation of the Restructuring Transactions (as defined in the RSA).

6. Nothing in the Motion or this Interim Order, nor as a result of any payment made pursuant to this Interim Order, shall be deemed or construed as an admission as to

the validity or priority of any claim against the Debtors, an approval or assumption of any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code or a waiver of the right of the Debtors, or shall impair the ability of the Debtors to contest the amount of any payment claimed by EHP to be due under the EHP Agreements.

7. The requirements set forth in Bankruptcy Local Rule 9013-1(i) are satisfied.

8. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

9. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.

10. This Interim Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.

11. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Interim Order.

12. The final hearing with respect to the relief requested in the Motion shall be held on _____, 2020 at _____ (prevailing Central Time) (the "Final Hearing"). Any objections or responses to entry of the proposed Final Order shall be filed on or before 4:00 p.m. (prevailing Central Time) on _____, 2020 and served on the following parties: (a) the Debtors, California Resources Corporation, 27200 Tourney Road, Suite 200, Santa Clarita, CA 91355 (Attn: Michael L. Preston); (b) proposed counsel to the Debtors, Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (Attn: Alexa J. Kranzley), and Vinson & Elkins LLP, 1001 Fannin, Suite 2500, Houston, TX 77002 (Attn: Paul E. Heath); (c) counsel to the administrative agent for the Debtors' DIP credit facility; (d) counsel to the ad hoc group of prepetition first lien lenders and second lien noteholders; (e) counsel to the ad hoc group of

prepetition second lien noteholders; (f) counsel to Ares; (g) counsel to any statutory committee appointed in these chapter 11 cases; (h) the U.S. Trustee; and (i) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002.

Dated: _____, 2020
Houston, Texas

United States Bankruptcy Judge

Exhibit B

Second Lien Exit Lenders

[*****]

Exhibit C

Junior DIP Commitment Parties

[*****]

Exhibit D

Form of Transfer Agreement

TRANSFER AGREEMENT

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of July 24, 2020 (the "**Agreement**"),[1] by and among the Company Parties and the Consenting Creditors, including the transferor to the Transferee of any Company Claims (each such transferor, a "**Transferor**"), and agrees to be bound by the terms and conditions thereof to the extent the Transferor was thereby bound, and shall be deemed a "Consenting Creditor" and a "Consenting 2016 Term Loan Lender," or a "Consenting 2017 Term Loan Lender" under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer, including the agreement to be bound by the vote of the Transferor if such vote was cast before the effectiveness of the Transfer discussed in this transfer agreement.

Date Executed:

_____

Name:
Title:

Address:

E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
2016 Term Loan Claims	
2017 Term Loan Claims	
Second Lien Notes Claims	
Unsecured Notes Claims	
Senior DIP Claims	
Junior DIP Claims	

[1] Capitalized terms not used but not otherwise defined in this transfer agreement shall have the meanings ascribed to such terms in the Agreement.

Exhibit E

Form of Joinder

JOINDER

The undersigned ("**Joinder Party**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of July 24, 2020 (the "**Agreement**"),[1] by and among Company Parties and the Consenting Creditors and agrees to be bound by the terms and conditions thereof to the extent the other Parties are thereby bound, and shall be deemed a "Consenting 2016 Term Loan Lender," or a "Consenting 2017 Term Loan Lender" under the terms of the Agreement.

The Joinder Party specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of this joinder and any further date specified in the Agreement.

Date Executed:

_____

Name:
Title:

Address:

E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
2016 Term Loan Claims	
2017 Term Loan Claims	
Second Lien Notes Claims	
Unsecured Notes Claims	
Senior DIP Claims	
Junior DIP Claims	

[1] Capitalized terms not used but not otherwise defined in this joinder shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT 10.4

Certain portions of this exhibit (indicated by "[*****]") have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

EXECUTION VERSION

AMENDED AND RESTATED BACKSTOP COMMITMENT AGREEMENT

AMONG

CALIFORNIA RESOURCES CORPORATION

AND

THE BACKSTOP PARTIES PARTY HERETO

Dated as of July 24, 2020

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Subscription Expiration Deadline	1(d)(3)
Subscription Record Date	Recitals
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Tranche A Equity Rights Offering Amount	Recitals
Tranche A Equity Rights Offering Securities	Recitals
Tranche A Subscription Right	Recitals
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Tranche B Equity Rights Offering Securities	Recitals
Tranche B Subscription Right	Recitals
Transaction Expenses	2(g)
Unsubscribed Shares	Recitals

BACKSTOP COMMITMENT AGREEMENT

This AMENDED AND RESTATED BACKSTOP COMMITMENT AGREEMENT (including exhibits and schedules attached hereto and incorporated herein, this "**Agreement**") is made and entered into as of July 24, 2020, and amends and restates in its entirety the Backstop Commitment Agreement dated as of July 15, 2020 (the "**Original Backstop Commitment Agreement**") by and among California Resources Corporation, a Delaware corporation (the "**Company**"), on behalf of itself and each of its affiliates listed on **Schedule 1** hereto (collectively, together with the Company, the "**Debtors**"), on the one hand, and the Backstop Parties set forth on **Schedule 2** hereto (as such list may be amended, supplemented or modified from time to time in accordance with this Agreement, including Sections 3 and 4 hereof) (each referred to herein, individually, as a "**Backstop Party**" and, collectively, as the "**Backstop Parties**"), on the other hand. The Company and each Backstop Party is referred to herein, individually, as a "**Party**" and, collectively, as the "**Parties**". Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the RSA (as defined below).

WHEREAS, certain parties hereto entered into the Original Backstop Commitment Agreement;

WHEREAS, the parties hereto wish to amend and restate the Original Backstop Commitment Agreement in its entirety;

WHEREAS, the Debtors and the Backstop Parties have entered into a Restructuring Support Agreement, dated as of July 15, 2020 (such agreement, as may be amended, restated, supplemented or otherwise modified from time to time, including all the exhibits thereto, the "**RSA**"), among the Debtors, the Backstop Parties and the other parties thereto which provides for, among other things, the restructuring of the Company's capital structure and financial obligations pursuant to a plan of reorganization (as it may be amended, modified or supplemented from time to time as provided in the RSA, the "**Plan**"). As contemplated by the RSA, the Debtors will commence cases (the "**Chapter 11 Cases**") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Southern District of Texas (the "**Bankruptcy Court**") (the date of such filings being referred to herein as the "**Petition Date**"), and will file and seek confirmation of the Plan to implement the terms and conditions of the Restructuring Transactions (as defined in the RSA) consistent with the Milestones set forth in the RSA;

WHEREAS, subject to the Bankruptcy Court's entry of an order approving the Disclosure Statement (the "**Disclosure Statement Order**"), and the other conditions specified in Section 10 and Section 11 hereof, on a date that is to be mutually agreed between the Debtors and the Required Backstop Parties, and in any event no later than ten calendar days after entry of the Disclosure Statement Order (such date the "**Subscription Commencement Date**") the Debtors shall offer certain of their creditors the opportunity to subscribe to rights to purchase shares of New Common Stock pursuant to the Equity Rights Offering (as defined in the RSA) and this Agreement (excluding New Common Stock issued as the Backstop Commitment Premium (as defined below))

issued by the Reorganized CRC (as defined in the RSA) on the Plan Effective Date (as defined in the RSA) in connection with the Equity Rights Offering, which shall consist of (i) (a) New Common Stock (the "**Eligible Tranche A Holder Securities**") offered to all Eligible Tranche A Holders (as defined below) on the *pro rata* basis set forth in the Plan at an aggregate purchase price of $253.125 million (the "**Eligible Tranche A Holder Equity Rights Offering Amount**"), which may be subscribed for (a "**Tranche A Subscription Right**") by all Eligible Tranche A Holders (as defined below) of Eligible Tranche A Claims (as defined below) as of 5:00 p.m. New York City Time on the Subscription Commencement Date, which is the date and time mutually agreed between the Company and the Required Backstop Parties for the determination of the holders entitled to participate in the Equity Rights Offering (the "**Subscription Record Date**"), and (b) New Common Stock that shall be subscribed for by certain Backstop Parties *pro rata* based on such Backstop Party's Backstop Commitment Percentage (the "**Tranche A Backstop Party Securities**" and, collectively with the Eligible Tranche A Holder Securities, the "**Tranche A Equity Rights Offering Securities**") at an aggregate purchase price of $151.875 million (the "**Tranche A Minimum Allocation**" and, collectively with the Eligible Tranche A Holder Equity Rights Offering Amount, the "**Tranche A Equity Rights Offering Amount**"), and in each case which Tranche A Equity Rights Offering Securities shall be issued at a price per share equal to $13.00 as may be adjusted pursuant to the RSA (such price, the "**Per Share Price**") and (ii) (a) New Common Stock (the "**Eligible Tranche B Holder Securities**" and together with the Eligible Tranche A Holder Securities, the "**Eligible Holder Securities**") offered to all Eligible Tranche B Holders (as defined below) on the pro rata basis set forth in the Plan at an aggregate purchase price of $22.5 million (the "**Eligible Tranche B Holder Equity Rights Offering Amount**"), which may be subscribed for (a "**Tranche B Subscription Right**" and together with the Tranche A Subscription Right, the "**Subscription Rights**") by all Eligible Tranche B Holders (as defined below) of Eligible Tranche B Claims (as defined below) as of the Subscription Record Date, and (b) New Common Stock that shall be subscribed for by certain Backstop Parties pro rata based on such Backstop Party's Backstop Commitment Percentage (the "**Tranche B Backstop Party Securities**" and, collectively with the Eligible Tranche B Holder Securities, the "**Tranche B Equity Rights Offering Securities**") at an aggregate purchase price of $22.5 million (the "**Tranche B Minimum Allocation**" and, collectively with the Eligible Tranche B Holder Equity Rights Offering Amount, the "**Tranche B Equity Rights Offering Amount**"), and in each case which Tranche B Equity Rights Offering Securities shall be issued at the Per Share Price. The Tranche A Minimum Allocation and the Tranche B Minimum Allocation are collectively referred to as the "**Minimum Allocations**";

WHEREAS, in order to facilitate the Plan and the Equity Rights Offering, pursuant to this Agreement, and subject to the terms, conditions and limitations set forth herein, (A) the Company has agreed to consummate the Plan and (B) each Backstop Party, severally and not jointly, has agreed to purchase from the Reorganized CRC, on the Plan Effective Date, (i) all Eligible Holder Securities allocated to such Backstop Party based on its ownership of Eligible Claims (and on the ownership of Eligible Claims owned by certain of its Related Funds as provided on **Schedule 2** , to the extent such Subscription Rights and associated Eligible Claims are held by its Related Funds as of the Subscription Record Date), (ii) such Backstop Party's percentage of the Unsubscribed

Shares (as defined below), as set forth on **Schedule 2**, opposite such Backstop Party's name (as amended, supplemented or modified from time to time in accordance this Agreement, including Sections 3 and 4 hereof) its "**Backstop Commitment Percentage**"), and (iii) such Backstop Party's percentage of (x) all Tranche A Backstop Party Securities and Tranche B Backstop Party Securities (collectively with the Unsubscribed Shares, the "**Backstop Party Securities**"), as applicable, and in the case of the Minimum Allocations, in the amounts set forth for each Backstop Party in the columns titled Tranche A Minimum Allocation and Tranche B Minimum Allocation on **Schedule 2** hereto; and (y) all Eligible Holder Securities that are not purchased by other Eligible Holders (as defined below) pursuant to the Equity Rights Offering (the "**Unsubscribed Shares**");

WHEREAS, as consideration for their respective Backstop Commitments, the Company has agreed, subject to the terms, conditions and limitations set forth herein, to pay the Backstop Parties, on the Plan Effective Date, the Backstop Commitment Premium (as defined below);

WHEREAS, for purposes of this Agreement, "**Required Backstop Parties**" shall mean Backstop Parties holding at least 50.0% in aggregate amount of the Backstop Commitments of all Backstop Parties as of the date on which the consent, waiver or approval is solicited (excluding any Defaulting Backstop Parties and their corresponding Backstop Commitments).

NOW, THEREFORE, in consideration of the foregoing, and the representations, warranties and covenants set forth herein, and other good and valuable consideration, the Company and the Backstop Parties agree as follows:

Section 1. THE EQUITY RIGHTS OFFERING. Subject to the terms and conditions hereof, the Equity Rights Offering will be conducted in accordance with the 1145 Equity Rights Offering Procedures and 4(a)(2) Equity Rights Offering Procedures in forms to be agreed (together, the "**Equity Rights Offering Procedures**") and as follows:

(a) Pursuant to the RSA and the Plan, (i) each holder of record of 2017 Term Loan Claims (as defined in the RSA) (each such holder, an "**Eligible Tranche A Holder**") as of the Subscription Record Date will receive Tranche A Subscription Rights with respect to the claims held of record by such Eligible Tranche A Holder as of the Subscription Record Date (such claims being "**Eligible Tranche A Claims**") to subscribe for its *pro rata* share (measured as the principal and accrued and unpaid interest amount of Eligible Tranche A Claims of the respective Class (as defined in the RSA) held by such Eligible Tranche A Holder as compared to the aggregate principal and accrued and unpaid interest amount relating to such Eligible Tranche A Claims of the respective Class held by all Eligible Tranche A Holders of the respective Class) of the Eligible Tranche A Holder Securities subject to certain other customary representations and warranties and (ii) each holder of record of Deficiency/Unsecured Debt Claims (as defined in the RSA) (each such holder, an "**Eligible Tranche B Holder**" and together with the Eligible Tranche A Holders, the "**Eligible Holders**") as of the Subscription Record Date will receive Tranche

B Subscription Rights with respect to the claims held of record by such Eligible Tranche B Holder as of the Subscription Record Date (such claims being "**Eligible Tranche B Claims**" and together with the Eligible Tranche A Claims, the "**Eligible Claims**") to subscribe for its *pro rata* share (measured as the principal and accrued and unpaid interest amount of Eligible Tranche B Claims of the respective Class held by such Eligible Tranche B Holder as compared to the aggregate principal and accrued and unpaid interest amount relating to such Eligible Tranche B Claims of the respective Class held by all Eligible Tranche B Holders of the respective Class) of the Eligible Tranche B Holder Securities subject to certain other customary representations and warranties.

(b) Subject to the terms and conditions of this Agreement, the Company hereby undertakes to offer (i) Eligible Holder Securities for subscription by the applicable Eligible Holders of the applicable Eligible Claims pursuant to the Equity Rights Offering Procedures and the Plan as set forth in this Agreement and (ii) Backstop Party Securities for subscription by the applicable Backstop Parties pursuant to the RSA and the Plan as set forth in this Agreement.

(c) The Debtors will issue Subscription Rights to the applicable Backstop Parties and the other Eligible Holders to purchase the applicable Tranche A Equity Rights Offering Securities and/or Tranche B Equity Rights Offering Securities (collectively, the "**Equity Rights Offering Securities**") at the Per Share Price on the terms set forth herein. Each Eligible Holder of Eligible Claims as of the Subscription Record Date will receive a Subscription Right to subscribe for its share of the applicable Eligible Holder Securities at the Per Share Price and each Backstop Party will receive a Subscription Right to subscribe for (i) its *pro rata* share of the applicable Backstop Party Securities and (ii) its *pro rata* share of any Unsubscribed Shares based on such Backstop Party's Backstop Commitment Percentage, in each case, as set forth on **Schedule 2**.

(d) (1) The Debtors will provide, or cause to be provided, to each Eligible Holder of Eligible Claims a subscription form in accordance with the Equity Rights Offering Procedures (the "**Equity Rights Offering Subscription Form**"), whereby each Eligible Holder of its applicable Eligible Claims may exercise its Subscription Rights in whole or in part, *provided* that such Eligible Holder of such Eligible Claims (i) timely and properly executes and delivers to the subscription agent for the Equity Rights Offering selected by the Company (the "**Subscription Agent**") in advance of the Subscription Expiration Deadline (as defined below) its Equity Rights Offering Subscription Form (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and, to the extent such Eligible Holders are participating in the Equity Rights Offering pursuant to the 4(a)(2) Equity Rights Offering Procedures, the investor questionnaire in the form attached to the 4(a)(2) Equity Rights Offering Procedures (the "**Investor Questionnaire**")) and (ii) (A) if such Eligible Holder is not a Backstop Party, such Eligible Holder pays the aggregate purchase price of the Equity Rights Offering

Securities elected to be purchased by the Eligible Holder of Eligible Claims by wire transfer of immediately available funds prior to the Subscription Expiration Deadline to an account established by the Subscription Agent for the Equity Rights Offering or (B) if such Eligible Holder is a Backstop Party, such Backstop Party pays, in accordance with Section 1(g), the aggregate purchase price of its Equity Rights Offering Securities and those Equity Rights Offering Securities to be purchased by such Backstop Party, as provided on **Schedule 2**, as applicable, including with respect to Subscription Rights allocated to certain of its Related Funds to the extent such Subscription Rights and associated Eligible Claims are held by its Related Funds as of the Subscription Record Date.

(2) In advance of the Subscription Expiration Deadline, (A) the Debtors shall deliver to each Backstop Party a notice setting forth such Backstop Party's allocation of (i) the Eligible Holder Securities for which it may exercise its Subscription Rights and (ii) Backstop Party Securities, in accordance with Section 2(c) and (B) each Backstop Party shall, on or prior to the Subscription Expiration Deadline, exercise in full its rights to purchase such allocated portion of the Equity Rights Offering Securities, pursuant to the procedures set forth in the preceding clause (1) and the Equity Rights Offering Procedures, subject to payment in accordance with Section 1(g), *provided* that such Backstop Party's cash purchase obligation shall be net of the amount set forth next to such Backstop Party's name in the column titled "Allocation Adjustment Credit" on **Schedule 2** hereto (such amount, the "**Allocation Adjustment Credit**"). For the avoidance of doubt, each Backstop Party shall fully exercise all Subscription Rights allotted to it for the purchase of the applicable Equity Rights Offering Securities.

(3) For purposes of this Agreement, the "**Subscription Expiration Deadline**" means 5:00 p.m. New York City time on such date that is 28 calendar days from (and including) the Subscription Commencement Date or such other date as the Company, subject to the approval of the Required Backstop Parties may specify in a notice provided to the Eligible Holders of Eligible Claims before 9:00 a.m. New York City time on the Business Day before the then-effective Subscription Expiration Deadline. For purposes of this Agreement, "**Business Day**" means any day of the year on which national banking institutions in New York City are open to the public for conducting business and are not required or authorized to close.

(e) The Reorganized CRC will issue Equity Rights Offering Securities consisting of New Common Stock to the Eligible Holders of Eligible Claims with respect to which Subscription Rights were validly exercised by such Eligible Holders of Eligible Claims upon the Plan Effective Date. The portion of Equity Rights Offering Securities issued to an Eligible Holder who elects to acquire such Equity Rights Offering Securities shall be rounded down to the nearest whole share.

(f) If the Subscription Agent for any reason does not receive from an Eligible Holder of Eligible Claims both a timely and duly completed Equity Rights Offering Subscription Form (with accompanying IRS Form W-9 or appropriate Form W-8, as applicable) and timely payment for the Equity Rights Offering Securities being purchased

by such Eligible Holder of Eligible Claims, the Equity Rights Offering Procedures shall provide that, unless otherwise approved by the Company and the Required Backstop Parties, such Eligible Holder of Eligible Claims shall be deemed to have relinquished and waived its right to participate in the Equity Rights Offering.

(g) As soon as reasonably practicable following the Subscription Expiration Deadline (but no later than five (5) Business Days following the Subscription Expiration Deadline), the Company hereby agrees and undertakes to deliver to each Backstop Party by email delivery a written notice (the "**Backstop Funding Notice**") of: (i) the number of Eligible Holder Securities that such Backstop Party has subscribed to purchase pursuant to such Backstop Party's Equity Rights Offering Subscription Form (including, for the avoidance of doubt, those Equity Rights Offering Securities to be purchased by such Backstop Party, as provided on **Schedule 2**, as applicable, pursuant to certain Subscription Rights allocated to certain of its Related Funds to the extent such Subscription Rights and associated Eligible Claims are held by its Related Funds as of the Subscription Record Date) and the aggregate purchase price therefor; (ii) the aggregate number of Backstop Party Securities that such Backstop Party is required to purchase pursuant to the terms of this Agreement in accordance with such Backstop Party's Backstop Commitment Percentage; (iii) the aggregate number of Unsubscribed Shares to be issued and sold by the Reorganized CRC to such Backstop Party based upon each Backstop Party's Backstop Commitment Percentage and the aggregate purchase price therefor (together with the amounts referenced in (i) and (ii), such Backstop Party's "**Funding Amount**"); (iv) wire instructions for a segregated account (the "**Funding Account**") established with an escrow agent or the Subscription Agent reasonably acceptable to the Required Backstop Parties to which such Backstop Party shall deliver an amount equal to its Funding Amount; and (v) the estimated deadline for delivery of the Funding Amount which shall be no greater than five (5) Business Days before the expected Plan Effective Date (the "**Backstop Funding Deadline**"); *provided* that the Backstop Funding Deadline shall be a minimum of five (5) Business Days after the date of such notice (unless an earlier date is required to ensure the Backstop Funding Deadline is no more than three (3) Business Days before the expected Plan Effective Date). Each Backstop Party (other than those that are registered investment companies ("**Investment Companies**") under the Investment Company Act of 1940, as amended (the "**Investment Company Act**")) shall deliver and pay its applicable Funding Amount by wire transfer in immediately available funds in U.S. dollars into the Funding Account by the Backstop Funding Deadline Account; *provided* that any Backstop Party with an Allocation Adjustment Credit may apply such credit in lieu of payment of a corresponding portion of such Backstop Party's aggregate cash purchase price. On the Plan Effective Date, each Backstop Party that is an Investment Company shall deliver and pay its respective Funding Amount by wire transfer of immediately available funds in U.S. dollars to a segregated bank account of the Company or make other arrangements that are reasonably acceptable to the applicable Investment Company and the Company, in satisfaction of such Backstop Party's Backstop Commitment and its obligations to fully exercise its Subscription Rights. If this Agreement is terminated pursuant to Section 13 after such delivery, all funds delivered by the Backstop Parties shall be released to the applicable Backstop Party, without any interest accrued thereon, promptly following such

termination. Notwithstanding the foregoing, for administrative convenience, at the direction and option of any lender under the Junior DIP Facility (a "**Junior DIP Facility Lender**") that is also a Backstop Party or a Related Fund of any Backstop Party, may elect by written direction to the Company reasonably prior to the Funding Deadline that all or a portion of the cash to be received by such Junior DIP Facility Lender on account of the principal amount of Junior DIP Obligations owed to it shall be set off or otherwise applied on a dollar for dollar basis towards the cash payment obligations of such Backstop Party or Related Fund under this Agreement, pursuant to such documentation as the Company may reasonably require to evidence the discharge of the applicable Junior DIP Obligations to the extent of the amounts so applied; *provided further* for the avoidance of doubt, that such obligations may be applied to satisfy the obligations of any Related Funds of such Backstop Party, at the option thereof.

(h) The Equity Rights Offering will be conducted in reliance upon one or more exemptions from registration under the Securities Act, which will include the exemption provided in Section 1145 of the Bankruptcy Code to the fullest extent available and, to the extent such exemption is not available (and in the proportion required to preserve the availability of such exemption under Section 1145 of the Bankruptcy Code), the exemption from registration set forth in Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder or another available exemption from registration under the Securities Act, and the Disclosure Statement shall include an appropriate statement to such effect. The offer and sale of the Unsubscribed Shares purchased by the Backstop Parties pursuant to this Agreement will be made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act or another available exemption from registration under the Securities Act, and the Disclosure Statement shall include a statement to such effect.

Section 2. THE BACKSTOP COMMITMENTS AND EXPENSE REIMBURSEMENT.

(a) On the basis of the representations and warranties contained herein, but subject to the conditions set forth in Section 10, each of the Backstop Parties, severally and not jointly, agrees to:

(i) subscribe for, in accordance with Section 1(d)(2), and purchase, in accordance with Section 1(g), the Eligible Holder Securities allocated to such Backstop Party and the Backstop Party Securities allocated to such Backstop Party, in each case at the aggregate purchase price therefor based upon the Per Share Price; and

(ii) purchase, in accordance with Section 1(g), its Backstop Commitment Percentage of the Unsubscribed Shares of the Equity Rights Offering Securities, at the aggregate purchase price therefor based upon the Per Share Price (together with its commitment pursuant to Section 2(a)(i), the "**Backstop Commitments**").

(b) On the basis of the representations and warranties herein contained, and subject to the entry by the Bankruptcy Court of the order to assume this Agreement in a form to be agreed (the "**Backstop Commitment Agreement Order**"), as consideration for the Backstop Commitments and the other undertakings of the Backstop Parties herein, the Reorganized CRC will pay to all Backstop Parties, in the aggregate, on the Plan Effective Date, a nonrefundable aggregate premium in an amount equal to 10% of the Equity Rights Offering Amount (the "**Backstop Commitment Premium**") at the same Per Share Price as paid in the Equity Rights Offering, which Backstop Commitment Premium shall be deemed fully earned by the Backstop Parties upon the execution of this Agreement, in the form of shares of New Common Stock (issued at the Per Share Price). Each Backstop Party may, in its sole discretion, designate any of its Affiliates to receive some or all of its pro rata portion of the Backstop Commitment Premium. Subject only to the approval of this Agreement by the Bankruptcy Court, Backstop Commitment Premium shall be allocated to the Backstop Parties pro rata based on the percentages set forth in the column titled "Backstop Commitment Premium" on **Schedule 2** hereto. Subject only to the approval of this Agreement by the Bankruptcy Court, the Backstop Commitment Premium shall constitute an allowed administrative expense of the Debtors' estate under Sections 503(b) and 507 of the Bankruptcy Code, which, for the avoidance of doubt, shall be *pari passu* with all other administrative expenses of the Debtors' estate.

(c) On the Plan Effective Date, the Backstop Parties will purchase, and the Reorganized CRC will sell to the Backstop Parties, only such amount of Equity Rights Offering Securities and Unsubscribed Shares as is listed in the Backstop Funding Notice and for which a Backstop Party has funded its Funding Amount, without prejudice to the rights of the Reorganized CRC or the Backstop Parties to seek later an upward or downward adjustment if the amount of Equity Rights Offering Securities or Unsubscribed Shares in such Backstop Funding Notice is inaccurate and in such event, the respective obligations to fund additional purchase price or issue additional Equity Rights Offering Securities or Unsubscribed Shares shall survive notwithstanding such Backstop Funding Notice.

(d) Delivery of the Unsubscribed Shares and Equity Rights Offering Securities will be made by the Reorganized CRC to the respective Backstop Parties on the Plan Effective Date upon the release of the Funding Amount of each Backstop Party from the Funding Account, upon which time such funds shall be delivered to the Reorganized CRC by wire transfer of immediately available funds to the account specified by the Reorganized CRC to the Backstop Parties at least twenty four (24) hours in advance.

(e) Delivery of the shares in connection with the Backstop Commitment Premium will be made by the Reorganized CRC to the respective Backstop Parties on the Plan Effective Date.

(f) Tax Treatment. Each of the parties intends that, for U.S. federal income tax purposes, the Backstop Commitment Premium and the Termination Payment Amount (as defined below) shall be treated as a "put premium" paid to the Backstop Parties (the

"**Intended Tax Treatment**"). Each party shall file all tax returns consistent with, and take no position inconsistent with such treatment (whether in audits, tax returns or otherwise) unless required to do so pursuant to a "determination" within the meaning of Section 1313(a) of the Internal Revenue Code of 1986, as amended (the "**Code**").

(g) In accordance with and subject to the Backstop Commitment Agreement Order, the Debtors agree to pay, in accordance with Section 2(h) below, all of the reasonable and documented fees and expenses incurred by the Backstop Parties before, on or after the date hereof related to the Restructuring Transactions for which invoices (which shall not be required to contain time detail) or receipts are forwarded to the Company and not otherwise paid pursuant to the RSA or in connection with the Chapter 11 Cases, including (x) the reasonable and documented fees and expenses of the Ad Hoc Group Advisors (as defined in the RSA) and (y) any filing fees or other costs, fees or expenses associated with the matters contemplated by Section 7(h) or 8(a) but, for the avoidance of doubt, not including any success, transaction or similar fees unless set forth in written agreements approved by the Company (collectively, "**Transaction Expenses**"). The reimbursement of such Transaction Expenses shall, pursuant to the Backstop Commitment Agreement Order, constitute allowed administrative expenses against each of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code, which, for the avoidance of doubt, shall be *pari passu* with all other administrative expenses of the Debtors' estate.

(h) The reimbursement of Transaction Expenses as described in Section 2(g) above shall be paid in cash in accordance with the terms set forth in the RSA in respect of the Consenting Parties Fees and Expenses (as defined in the RSA).

Section 3. TRANSFER OF BACKSTOP COMMITMENT.

(a) Each Backstop Party's Backstop Commitment shall be transferable, in whole or in part, to a Permitted Transferee (as defined below) or pursuant to Section 3(b); *provided* that the transferring Backstop Party shall give notice of its intent to transfer its Backstop Commitment (other than to a Related Fund (as defined below) or any other Backstop Party), whether in whole or in part ("**Backstop Transfer Notice**"), to the Company and the non-transferring Backstop Parties, and each such non-transferring Backstop Party shall have a right, but not an obligation, for a period of five (5) days following receipt of the Backstop Transfer Notice to purchase its *pro rata* share thereof based on the proportion of its Backstop Commitment to the aggregate amount of Backstop Commitments of all non-transferring Backstop Parties purchasing such transferring Backstop Party's Backstop Commitment, on the terms described in the Backstop Transfer Notice. If any non-transferring Backstop Party does not elect to purchase its full *pro rata* share of the Backstop Commitment offered in the Backstop Transfer Notice, then within five (5) days after the expiration of the initial five (5) day period, the transferring Backstop Party shall notify each non-transferring Backstop Party that elected to purchase its full *pro rata* share of the Backstop Commitment proposed to be transferred and each such non-transferring Backstop Party shall have a right, but not an obligation, for a period of five (5) days following receipt of such notice to purchase its

pro rata share of such unsubscribed portion of the Backstop Commitments proposed to be transferred in such Backstop Transfer Notice based on the proportion of its Backstop Commitment to the aggregate amount of Backstop Commitments of all non-transferring Backstop Parties that exercise their respective rights to purchase such transferring Backstop Party's Backstop Commitment in full, on the terms described in the Backstop Transfer Notice. In the event that following the elections described above, the non-transferring Backstop Parties do not elect to purchase all of the Backstop Commitment offered in the Backstop Transfer Notice, the transferring Backstop Party shall have the right to complete such transfer to any such Permitted Transferee at a price no lower than the price set forth in the Backstop Transfer Notice and on other terms and conditions that are at least as favorable in the aggregate to such transferring Backstop Party as such other terms and conditions set forth in the Backstop Transfer Notice. Any Permitted Transferee of a Backstop Commitment shall agree in writing to be bound by the representations, warranties, covenants and obligations of such transferring Backstop Party under this Agreement and the RSA and any Permitted Transferee (other than a Related Fund or any other Backstop Party) shall, as a condition of such transfer, provide the Company and the non-transferring Backstop Parties with evidence reasonably satisfactory to the Company that such transferee is reasonably capable of fulfilling such obligations, including such financial information as may reasonably be requested by the Company demonstrating the ability of such Permitted Transferee to fund the entire amount of its existing Backstop Commitment plus the amount of the Backstop Commitment transferred to such Permitted Transferee. A transfer of a Backstop Commitment to one or more Permitted Transferees shall also transfer a ratable portion of the transferring Backstop Party's Tranche A Minimum Allocation, Tranche B Minimum Allocation, Backstop Commitment Premium Amount, Allocation Adjustment Credit and Termination Payment Amount. The Company shall maintain an updated copy of the Backstop Commitment Schedule to reflect such transfers as occur from time to time. For purposes of this Agreement, "**Permitted Transferee**" means (i) a Related Fund, (ii) any other Backstop Party and (iii) any other person that is a party to the RSA or executes a joinder thereto with the consent (not to be unreasonably withheld, conditioned or delayed) of the Required Backstop Parties and the Company (including, as part of such joinder, making the necessary representations and warranties under this Agreement); *provided*, that absent such consent, such transferee shall be deemed a Permitted Transferee to the extent such proposed transferee deposits with the Subscription Agent or escrow agent, pursuant to escrow arrangements satisfactory to the Company, a Funding Amount sufficient, in the reasonable determination of the Company, to satisfy the transferring Backstop Party's obligations under this Agreement.

(b) Notwithstanding the foregoing, (i) a Backstop Party or any Affiliates (as defined below) thereof may assign its Backstop Commitment and Subscription Rights to any other Backstop Party without submitting a Backstop Transfer Notice or complying with the terms of clause (a) above, in which case such assigning Backstop Party shall notify the Company reasonably promptly, and (ii) a Backstop Party or any Affiliates thereof may assign its Backstop Commitment and Subscription Rights to any fund, account (including any separately managed accounts) or investment vehicle that is controlled, managed, advised or sub-advised by such Backstop Party, an Affiliate thereof

or the same investment manager, advisor or subadvisor as the Backstop Party or an Affiliate of such investment manager, advisor or subadvisor (each, a "**Related Fund**") without submitting a Backstop Transfer Notice or complying with the terms of the preceding clause (a), in which case such assigning Backstop Party shall notify the Company and the non-transferring Backstop Parties and such Related Fund transferee shall agree in writing to be bound by the representations, warranties, covenants and obligations of such transferring Backstop Party under this Agreement and the RSA, shall make the representations set forth in Section 6 hereof as of the date of such transfer as if it was a Backstop Party, and shall, as a condition of such transfer, provide the Company and the applicable non-transferring Backstop Parties with evidence reasonably satisfactory to them that such transferee is reasonably capable of fulfilling such obligations. Solely in the case of transfers to a Related Fund, the assigning Backstop Party shall remain fully obligated for its Backstop Commitment (which, for the avoidance of doubt, includes such assigned amount). For purposes of this Agreement, (i) "**Affiliate**" shall mean with respect to any specified Person (as defined below), any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, Controls (as defined below), is Controlled by or is under common Control with such specified Person and (ii) "**Control**" shall mean, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms "Controlled by," "Controlled" and "under common Control with" shall have correlative meanings.

(c) Any transferee pursuant to clauses (a) and (b) above shall be deemed a Backstop Party, subject to the terms hereof. Notwithstanding anything to the contrary set forth herein, the transfer of any Claims by any Backstop Party shall not have any effect on a Backstop Party's Backstop Commitment Percentage.

(d) Furthermore, each Backstop Party shall have the right to designate by written notice to the Company no later than two (2) Business Days prior to the Plan Effective Date that some or all of the Backstop Party Shares be issued in the name of, and delivered to, one or more of its Affiliates or Related Funds upon receipt by the Company of payment therefor in accordance with the terms hereof, which notice of designation shall (i) be addressed to the Company and signed by such Backstop Party and each such Affiliate or Related Fund, (ii) specify the number of Backstop Party Shares to be delivered to or issued in the name of such Affiliate or Related Fund and (iii) contain a confirmation by each such Affiliate or Related Fund of the accuracy of the necessary representations and warranties set forth in Section 6 hereof, as if such Affiliate or Related Fund was a Backstop Party.

(e) Any transfer in violation of these transfer procedures shall be void *ab initio*; *provided* that a transfer shall not be void *ab initio* solely on account of a failure of a Backstop Party to provide the Company or the non-transferring Backstop Parties, with the Backstop Transfer Notice.

Section 4. BACKSTOP PARTY DEFAULT. Any Backstop Party, on a several and not joint basis, that fails to timely fund its Backstop Commitment by

the Backstop Funding Deadline or fully exercise all Subscription Rights held by it in the Equity Rights Offering (but for the avoidance of doubt, no Backstop Party shall be liable for any default of any other Backstop Party pursuant to this Agreement) after written notice thereof and a 2 (two) Business Day opportunity to cure (a "**Defaulting Backstop Party**") will be liable for the consequences of its breach and the Company may enforce rights of money damages and/or specific performance upon the failure to timely fund by the Defaulting Backstop Party. Each Backstop Party that is not a Defaulting Backstop Party (each, a "**Non-Defaulting Backstop Party**") shall have the right, but not the obligation, to assume its Adjusted Commitment Percentage (or such other proportion as agreed by the Non-Defaulting Backstop Parties) of such Defaulting Backstop Party's Backstop Commitment. For this purpose, the "**Adjusted Commitment Percentage**" means, with respect to any Non-Defaulting Backstop Party, a fraction, expressed as a percentage, the numerator of which is the Backstop Commitment Percentage of such Non-Defaulting Backstop Party and the denominator of which is the aggregate Backstop Commitment Percentages of all Non-Defaulting Backstop Parties. No Defaulting Backstop Party shall be entitled to any portion of the Backstop Commitment Premium (as defined in the Backstop Commitment Term Sheet referred to in the RSA) and all distributions of New Common Stock distributable to a Defaulting Backstop Party, including on account of the Backstop Commitment Premium, shall be either (i) to the extent assumed by Non-Defaulting Backstop Parties, re-allocated contractually and turned over as liquidated damages (including any Backstop Commitment Premium) to those Non-Defaulting Backstop Parties that have elected to subscribe for their full Adjusted Commitment Percentage, or (ii) if not assumed by the Non-Defaulting Backstop Parties, forfeited and retained by the Company, as applicable.

Section 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to, and agrees with, the Backstop Parties as set forth below. Except for representations, warranties and agreements that are expressly limited as to their date, each representation, warranty and agreement is made as of the date hereof.

(a) *Organization and Qualification*. Each of the Company and its subsidiaries (i) is duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation or organization and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted in all material respects and (ii) is duly qualified or authorized to do business and is in good standing under the laws of each jurisdiction in which it owns or leases real property or in which the conduct of its business or the ownership of its properties requires such qualification or authorization, in each case except where the failure to be so qualified, authorized or in good standing would not be reasonably likely to result in a Material Adverse Effect.

(b) *Power and Authority*.

(i) The Company has the requisite corporate power and authority to enter into, execute and deliver this Agreement and any other agreements contemplated herein or in the Plan and, subject to entry of the Backstop Commitment Agreement Order, the Confirmation Order (as defined in the RSA) and consummation of the Plan, to perform its obligations hereunder and under any other agreements contemplated herein or in the Plan, including, to issue the Subscription Rights and the Equity Rights Offering Securities. The Company has taken all necessary corporate action required for the due authorization, execution, delivery and performance by it of this Agreement and any other agreements contemplated herein or in the Plan, and, subject to entry of the Backstop Commitment Agreement Order, following the entry of the Confirmation Order will have taken all necessary corporate action required to perform its obligations hereunder and under any other agreements contemplated herein or in the Plan, including, to issue the Subscription Rights and the Equity Rights Offering Securities.

(ii) The Company has the requisite corporate power and authority to file the Plan with the Bankruptcy Court and, subject to entry of the Backstop Commitment Agreement Order, the Confirmation Order and consummation of the Plan, to perform its obligations thereunder, and will have taken all necessary corporate action required for the due authorization, execution, delivery and performance by it under the Plan.

(c) *Execution and Delivery; Enforceability.* This Agreement and any other agreements contemplated herein has been and will be, duly and validly executed and delivered by the Company, and, subject to entry of the Backstop Commitment Agreement Order, the Confirmation Order and consummation of the Plan, each of this Agreement and any other agreements contemplated herein and the Plan constitutes or will constitute the valid and binding obligations of the Company and the Reorganized CRC, enforceable against the Company and the Reorganized CRC in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws or by equitable principle relating to enforceability.

(d) *Authorized Capital.* Upon the Plan Effective Date, the authorized capital of the Reorganized CRC shall be consistent with the terms of the Plan and Disclosure Statement (as defined below) and the issued and outstanding Equity Rights Offering Securities of the Reorganized CRC shall be consistent with the terms of the Plan and Disclosure Statement.

(e) *Issuance*. The distribution of the Subscription Rights and, subject to entry of the Backstop Commitment Agreement Order, the Confirmation Order and consummation of the Plan, the issuance of the Equity Rights Offering Securities, including the New Common Stock subscribed for by the Backstop Parties in the Equity Rights Offering, the Unsubscribed Shares and the shares issued pursuant to the Backstop

Commitment Premium, will have been duly and validly authorized and, when the Equity Rights Offering Securities are issued and delivered against payment therefor in the Equity Rights Offering or to the Backstop Parties hereunder, will be duly and validly issued and outstanding, fully paid, non-assessable and free and clear of all Taxes, liens, pre-emptive rights, rights of first refusal, subscription and similar rights, except as set forth herein, and other than liens pursuant to applicable securities laws.

(f) *No Conflict*. The distribution of the Subscription Rights, and, subject to entry of the Confirmation Order and consummation of the Plan, the sale, issuance and delivery of the Equity Rights Offering Securities upon exercise of the Subscription Rights, the consummation of the Equity Rights Offering by the Reorganized CRC, the sale, issuance and delivery of the Unsubscribed Shares pursuant to the terms hereof, and the execution and delivery (or, with respect to the Plan, the filing with the Bankruptcy Court) by the Company of this Agreement and the Plan and compliance by it with all of the provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby: (i) will not conflict with or result in a breach or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time, or both), or result, except to the extent expressly provided in or contemplated by the Plan, in the acceleration of, or the creation of any lien under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of their properties or assets is subject; (ii) will not result in any violation of the provisions of the organizational documents of the Company or any of its subsidiaries; and (iii) assuming the accuracy of the Backstop Parties' representations and warranties in Section 6, will not result in any violation of, or any termination or material impairment of any rights under, any statute or any license, authorization, injunction, judgment, order, decree, rule or regulation of any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, agency or official, including any political subdivision thereof or any federal, state, municipal, domestic or foreign court, arbitrator, or tribunal ("**Governmental Entity**") having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, except in any such case described in clause (i) or clause (iii), as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. "**Material Adverse Effect**" means any fact, event, change, effect, development, circumstance, or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on: (a) the business, operations, properties, assets or financial condition of the Company and its subsidiaries, in each case taken as a whole; or (b) the ability of the Company or any of its subsidiaries, in each case taken as a whole, to perform their material obligations under the Agreement and any other material agreement contemplated thereby, in each case of clauses (a) and (b), except to the extent arising from or attributable to the following (either alone or in combination) (A) the filing of the Chapter 11 Cases, (B) any change after the date hereof in global, national or regional political conditions (including hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or material worsening of any such hostilities, acts of war, sabotage, terrorism, military actions existing or underway, "acts of God" or pandemics) or in the general business, market, financial or economic conditions

affecting the industries, regions and markets in which the Debtors operate, including any change in the United States or applicable foreign economies or securities, commodities or financial markets, or force majeure events or "acts of God"; (C) the price of oil and gas products or derivative products or the price of power or other inputs or goods or services; (D) the novel coronavirus (COVID-19) pandemic, (E) the filing of the Plan, the RSA and the other documents contemplated thereby, or any action required by the Plan or the RSA that is made in compliance with the Bankruptcy Code; (F) any changes in applicable transnational, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity, as amended unless expressly specified otherwise ("**Law**") or generally accepted accounting principles in the United States; (G) declarations of national emergencies in the United States or natural disasters in the United States; *provided* that the exceptions set forth in these clauses (B), (C), (D), (F) and (G) shall not apply to the extent that such described change has a disproportionately adverse impact on the Debtors, taken as a whole, as compared to other companies in the industries in which the Debtors operate.

(g) *Alternative Restructuring Proposals*. As of the date hereof, neither the Company nor any of its controlled Affiliates nor, to the knowledge of the Company, any Representative of the Company has entered into any agreement or reached any understanding with regard to any Alternative Restructuring Proposal (as defined in the RSA) that has not been disclosed to the Backstop Parties.

(h) *Consents and Approvals*. Assuming the accuracy of the Backstop Parties' representations and warranties in Section 6, no consent, approval, authorization, order, registration or qualification of or with any Governmental Entity having jurisdiction over the Company or any of its subsidiaries is required for the distribution of the Subscription Rights, the sale, issuance and delivery of the Equity Rights Offering Securities upon exercise of the Subscription Rights, the issuance, sale and delivery of Unsubscribed Shares to the Backstop Parties hereunder, the consummation of the Equity Rights Offering by the Reorganized CRC and the execution and delivery by the Company of this Agreement or the Plan and compliance by them with all of the provisions hereof and thereof (including payment of the Backstop Commitment Premium and Transaction Expenses of the Backstop Parties as required herein) and the consummation of the transactions contemplated hereby and thereby, except (i) the entry of the Confirmation Order and the Backstop Commitment Agreement Order, (ii) entry by the Bankruptcy Court, or any other court of competent jurisdiction, or orders, as may be necessary in the Chapter 11 Cases from time to time and consistent with the consent rights set forth in the RSA, (iii) filings, if any, pursuant to the HSR Act and the expiration or termination of all applicable waiting periods thereunder or any applicable notification, authorization, approval or consent under any other Antitrust Laws in connection with the transactions contemplated by this Agreement, (iii) the filing of any other corporate documents in connection with the transactions contemplated by this Agreement with applicable state filing agencies, (iv) such consents, approvals, authorizations, registrations or qualifications as may be required under foreign securities laws, federal securities laws or

state securities or Blue Sky laws in connection with the offer and sale of the Equity Rights Offering Securities, Unsubscribed Shares and the Backstop Commitment Premium, and (v) such consents, approvals, authorizations, registrations or qualifications the absence of which would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(i) *No Undisclosed Material Liabilities*. There are no liabilities or obligations of the Company or any of its subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined or determinable, other than: (i) liabilities or obligations disclosed and provided for in the Financial Statements (as defined below), (ii) liabilities or obligations incurred in the ordinary course of business since the date of the most recent balance sheet presented in the Financial Statements (as defined below) (the "**Reference Date**") or (iii) liabilities or obligations which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(j) *Financial Statements*. The (i) audited consolidated financial statements and the related notes thereto of California Resources Corporation and its consolidated subsidiaries as of and for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 and (ii) the consolidated unaudited financial statements of California Resources Corporation and its consolidated subsidiaries and the related notes thereto as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 (collectively, the "**Financial Statements**") present fairly in all material respects the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods specified. The Financial Statements have been prepared in conformity with U.S. GAAP as applied to a non-reporting issuer throughout the periods covered thereby (except as disclosed therein).

(k) *No Violation*. The Company and its subsidiaries are not, except as a result of the Chapter 11 Cases, and have not since January 1, 2017 been, in violation of any applicable law or statute or any judgment, order, rule or regulation of any Governmental Entity, except for any such default or violation that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(l) *Legal Proceedings*. Other than the Chapter 11 Cases and any adversary proceedings or contested motions commenced in connection therewith, and there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending or, to the knowledge of the Company, threatened, in each case, to which the Company and its subsidiaries is or may be a party or to which any property of the Company and its subsidiaries is or may be the subject that, individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect.

(m) *No Broker's Fees*. Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any other individual, firm, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, associate, trust, Governmental Entity or other entity or organization (each a

"**Person**") that would give rise to a valid claim against it (other than this Agreement, any engagement letter with Perella Weinberg Partners, as amended, and the agreement dated April 10, 2020 between California Resources Corporation and Evercore Group L.L.C.) or the Backstop Parties for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Subscription Rights, the Equity Rights Offering Securities or the Backstop Party Shares.

(n) *Absence of Certain Changes*. Since the date of the most recent balance sheet presented in the Financial Statements (the "**Reference Date**"), except for the filing and pendency of the Chapter 11 Cases, no change, event, circumstance, effect, development, occurrence or state of facts has occurred or exists that has had or is reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(o) *Environmental*. Except as to matters that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) no written notice, claim, demand, request for information, order, complaint or penalty has been received by the Company or any of its subsidiaries, and there are no judicial, administrative or other actions, suits or proceedings pending or, to the knowledge of the Company, threatened, in each case which allege a violation of or liability under any Environmental Laws, in each case relating to the Company or any of its subsidiaries, (ii) the Company and each of its subsidiaries is in compliance with Environmental Law and has obtained, maintains in full force and effect, and is in compliance with all material permits, licenses and other approvals currently required under any Environmental Law for conduct of its business as presently conducted by the Company and each of its subsidiaries, and (iii) to the knowledge of the Company, no Hazardous Materials have been released by the Company or any of its subsidiaries at any location in a manner that would reasonably be expected to give rise to any cost, liability or obligation of the Company or any of its subsidiaries under any Environmental Laws. For purposes of this Agreement, "**Environmental Law**" means all applicable foreign, federal, state and local conventions, treaties, protocols, laws, statutes, rules, regulations, ordinances, orders and decrees in effect on the date hereof relating in any manner to contamination, pollution or protection of the environment or exposure to hazardous or toxic substances, materials or wastes, and "**Hazardous Materials**" means all materials, substances, chemicals, or wastes (or combination thereof) that is listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, a pollutant, a contaminant, petroleum, oil, or words of similar meaning or effect under any Environmental Law.

(p) *Insurance*. Except as would not reasonably be expected to have a Material Adverse Effect, the Company and each of its subsidiaries, as applicable, has insured its respective properties and assets against such risks and in such amounts as are consistent with past practice or are customary for similarly situated companies engaged in similar businesses. All premiums due and payable in respect of material insurance policies maintained by the Company and its subsidiaries have been paid. As of the date hereof, to the knowledge of the Company, neither the Company nor any of its subsidiaries has received written notice from any insurer or agent of such insurer with respect to any material insurance policies of the Company or any of its subsidiaries of cancellation or

termination of such policies, other than such notices which are received in the ordinary course of business or for policies that have expired in accordance with their terms.

(q) *Intellectual Property*. Except, in each case, where the failure of such statement to be correct would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) the Company and its subsidiaries own, or possess the right to use, all of the patents, patent rights, trademarks, service marks, trade names, copyrights, licenses, domain names, and any and all applications or registrations for any of the foregoing (collectively, "**Intellectual Property Rights**") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other person, (ii) to the knowledge of the Company, neither the Company and its subsidiaries nor any Intellectual Property Right, proprietary right, product, process, method, substance, part, or other material now employed, sold or offered by the Company and its subsidiaries, is infringing upon, misappropriating or otherwise violating any valid Intellectual Property Rights of any person, and (iii) no claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Company, threatened.

(r) *No Undisclosed Relationship*. Except for employment relationships and compensation, benefits and travel advances in the ordinary course of business, neither the Company nor any of its subsidiaries is a party to any agreement with, or involving the making of any payment or transfer of assets to, any stockholder beneficially owning greater than 5% of the Company or any officer or director of the Company or any of its subsidiaries (each, an "**Affiliate Agreement**").

(s) *Money Laundering Laws*. The operations of the Company and its subsidiaries are, and have been at all times since January 1, 2017, conducted in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the U.S. Currency and Foreign Transactions Reporting Act of 1970, the anti-money laundering statutes of all jurisdictions in which the Company and its subsidiaries operate (and the rules and regulations promulgated thereunder) and any related or similar laws and there has been no material legal proceeding by or before any Governmental Entity or any arbitrator involving the Company or any of its subsidiaries with respect to such laws is pending or, to the knowledge of the Company, threatened.

(t) *Sanctions Laws*. Neither the Company, its subsidiaries, any of their respective directors, officers, nor, to the knowledge of the Company, any of the Company's or its subsidiaries' employees or other Persons acting on their behalf are currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department. The Company and its subsidiaries will not directly or indirectly use the proceeds of the Equity Rights Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, for the purpose of financing the activities of any Person that is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

(u) *Foreign Corrupt Practices Act*. There have been no actual or alleged violations of the Foreign Corrupt Practices Act of 1977, as amended, nor any applicable anti-corruption or anti-bribery laws in any jurisdiction other than the United States, in each case, since January 1, 2017, by the Company and its subsidiaries or any of their respective officers, directors, agents, distributors, employees or any other Person acting on behalf of the Company or any of its subsidiaries.

(v) *Taxes*.

(i) Except as would not reasonably be expected to result in a Material Adverse Effect, the Company and each of its subsidiaries has timely paid or caused to be paid all amounts of income, gross receipts, license, payroll, employment, excise, severance, occupation, premium, windfalls profits, customs duties, capital stock, franchise, profits, withholding, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other taxes levied by a Governmental Entity having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, including interest and penalties thereon ("**Taxes**") imposed on it or its assets, business or properties that are required to be paid as of the date hereof (except (i) Taxes or assessments that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established in accordance with generally accepted accounting principles, (ii) to the extent the non-payment thereof is required by the Bankruptcy Code or (iii) Taxes contemplated to be paid during the Chapter 11 Cases pursuant to the First Day Pleadings and for which sufficient funds have been provided by the Senior DIP Facility and Junior DIP Facility), or, to the extent not yet due, such Taxes have been accrued and fully provided for in accordance with generally accepted accounting principles. Except as would not reasonably be expected to result (individually or in the aggregate) in a Material Adverse Effect, the Company and each of its subsidiaries have timely filed, or filed appropriate extensions for, all income and other returns, information statements or reports required to be filed with any Governmental Entity with respect to Taxes.

(ii) All material Taxes that the Company or any of its subsidiaries was required by law to withhold or collect in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party have been duly withheld or collected, and have been timely paid to the proper authorities to the extent due and payable.

(iii) None of the Company and any of its subsidiaries has been either a "distributing corporation" or a "controlled corporation" in a distribution occurring during the last five years in which the parties to such distribution treated the distribution as one to which Section 355 of the Code is applicable.

(iv) Except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, other than Taxes or assessments that are being contested in good faith and for which adequate reserves have been established in accordance with generally accepted accounting principles, (a) there are no claims being asserted in writing with respect to any Taxes, (b) no presently effective waivers or extensions of statutes of limitations with respect to taxes have been given or requested (other than (x) waivers to extend the statute of limitations with respect to sales and use tax audits of California Resources Elk Hills, LLC for the audit periods dated July 1, 2016 to December 31, 2016 and of California Resources Petroleum Corporation for the audit periods dated July 1, 2016 to June 30, 2017, and (y) other automatic extensions commonly granted in the ordinary course of business), (c) no Tax returns are being examined by, and no written notification of intention to examine a tax return has been received from, any Governmental Entity, (d) there are no Liens for Taxes on any asset of the Company or any subsidiary of the Company, (e) neither the Company nor any of its subsidiaries has been included in any "consolidated," "unitary" or "combined" tax return provided for under any law with respect to Taxes for any taxable period for which the statute of limitations has not expired (other than a group of which the Company and/or its current or past subsidiaries are or were the only members), and (f) neither the Company nor any of its subsidiaries has any liability for any Taxes of any other Person or entity, either by operation of law (including, but not limited to, any liability arising from the application of Treasury Regulation Section 1.1502-6 or any analogous provision of state, local or non-U.S. law), by contract or as a transferee or successor, and, other than that certain Tax Sharing Agreement, dated November 25, 2014, between Occidental Petroleum Corporation and its affiliates and the Company and its affiliates, neither the Company nor any of its subsidiaries is a party to any material Tax allocation or Tax sharing agreement with any third party (other than an agreement entered into in the ordinary course of business consistent with past practice (such as a lease or a license), the principal purpose of which is not the sharing, assumption or indemnification of Tax).

(w) *Arm's-Length*. The Company acknowledges and agrees that (i) each of the Backstop Parties is acting solely in the capacity of an arm's-length contractual counterparty to the Company with respect to the transactions contemplated hereby (including in connection with determining the terms of the Equity Rights Offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other Company or any of its subsidiaries and (ii) no Backstop Party is advising the Company or any of its subsidiaries as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction.

(x) *Title to Property*.

(i) *Personal Property*. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (A) the Company and its subsidiaries have good title to, free and clear of any and all

Liens (other than Permitted Liens), or a valid leasehold interest in, all personal properties, machinery, equipment and other tangible assets of the business necessary for the conduct of the business as presently conducted by the Company and its subsidiaries and (B) such properties, (x) are in the possession or control of the Company or its subsidiaries; and (y) are in good and operable condition and repair, reasonable wear and tear excepted. For purposes of this Agreement, "**Lien**" and "**Permitted Liens**" shall have the respective meanings given to those terms in the DIP Credit Agreement (as defined in the RSA).

(ii) *Leased Real Property*. The Company and its subsidiaries have complied with all obligations under all leases (as may be amended from time to time) to which it is a party that have not been rejected in the Chapter 11 Cases, except where the failure to comply would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any of its subsidiaries have received written notice of any good faith claim asserting that such leases are not in full force and effect (except to the extent subject to applicable to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws affecting creditors' rights generally and to general principles of equity), except leases in respect of which the failure to be in full force and effect would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company and its subsidiaries enjoy peaceful and undisturbed possession under all such leases, other than leases in respect of which the failure to enjoy peaceful and undisturbed possession would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(y) *Labor Relations*. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there are no labor disputes pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries.

(z) *Licenses and Permits*. The Company and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate Governmental Entities that are necessary for the ownership or lease of their respective properties and the conduct of their business as presently conducted by the Company and its subsidiaries, in each case, except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company and its subsidiaries (i) have not received written notice of any revocation or modification of any such license, certificate, permit or authorization or (ii) have no reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course.

(aa) *Material Contracts*. Other than Material Contracts to be rejected in the Chapter 11 Cases in accordance with the RSA, all Material Contracts are valid, binding

and enforceable by and against the Company and its subsidiaries, as applicable (except to the extent enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws affecting creditors' rights generally and to general principles of equity), except where the failure to be valid, binding or enforceable would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and no written notice to terminate, in whole or part, any Material Contract has been delivered to the Company and its subsidiaries except where such termination would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Other than as a result of the filing of the Chapter 11 Cases or the underlying facts and circumstances giving rise or contributing thereto, neither the Company and its subsidiaries nor, to the knowledge of the Company and its subsidiaries, any other party to any Material Contract, is in default or breach under the terms thereof except, in each case, for such instances of default or breach that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. For purposes of this Agreement, "**Material Contract**" means any contract necessary for the operation of the business of the Company and its subsidiaries as presently conducted by the Company and its subsidiaries that is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K or required to be disclosed on a current report on Form 8-K).

Section 6. REPRESENTATIONS AND WARRANTIES OF THE BACKSTOP PARTIES. Each of the Backstop Parties severally represents and warrants to, and agrees with, the Company as set forth below. Each representation, warranty and agreement is made as of the date hereof.

(a) *Formation*. Such Backstop Party has been duly organized or formed, as applicable, and is validly existing as a corporation or other entity in good standing under the applicable laws of its jurisdiction of organization or formation.

(b) *Power and Authority*. Such Backstop Party has the requisite power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder and has taken all necessary action required for the due authorization, execution, delivery and performance by it of this Agreement.

(c) *Execution and Delivery*. This Agreement has been duly and validly executed and delivered by such Backstop Party and constitutes its valid and binding obligation, enforceable against such Backstop Party in accordance with its terms.

(d) *Party to RSA*. Such Backstop Party has duly and validly executed and delivered the RSA, and the RSA constitutes a valid and binding obligation of such Backstop Party, enforceable against such Backstop Party in accordance with its terms.

(e) *Securities Laws Compliance*. The New Common Stock subscribed for by the Backstop Parties in the Equity Rights Offering (including the Eligible Holder Securities and Backstop Party Securities), the Unsubscribed Shares and the shares issued pursuant to the Backstop Commitment Premium (collectively, the "**Backstop Party**

Shares") will not be offered for sale, sold or otherwise transferred by such Backstop Party except pursuant to an effective registration statement under the Securities Act of 1933 and the rules and regulations of the U.S. Securities and Exchange Commission thereunder (the "**Securities Act**") or in a transaction exempt from or not subject to registration under the Securities Act and any applicable state securities laws.

(f) *Purchase Intent*. Such Backstop Party is acquiring the Backstop Party Shares for its own account or for the accounts for which it is acting as investment advisors or manager, and not with a view to distributing or reselling such Backstop Party Shares or any part thereof. Such Backstop Party understands that such Backstop Party must bear the economic risk of this investment indefinitely, unless the Backstop Party Shares are registered pursuant to the Securities Act and any applicable state securities or Blue Sky laws or an exemption from such registration is available, and further understands that it is not currently contemplated that any Backstop Party Shares will be registered at the time of issuance.

(g) *Investor Status*. Such Backstop Party is an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act or a "qualified institutional buyer" as defined in Rule 144A under the Securities Act. Such Backstop Party understands that the Backstop Party Shares are being offered and sold to such Backstop Party in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Reorganized CRC is relying upon the truth and accuracy of, and such Backstop Party's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Backstop Party set forth herein in order to determine the availability of such exemptions and the eligibility of such Backstop Party to acquire Backstop Party Shares. Such Backstop Party has such knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of its investment in the Backstop Party Shares. Such Backstop Party understands and is able to bear any economic risks associated with such investment (including the necessity of holding such shares for an indefinite period of time). Except for the representations and warranties expressly set forth in this Agreement, such Backstop Party has independently evaluated the merits and risks of its decision to enter into this Agreement and disclaims reliance on any representations or warranties, either express or implied, by or on behalf of the Reorganized CRC.

(h) *No Conflict*. Assuming the consents referred to in clause ☒6(h) are obtained, the execution and delivery by such Backstop Party of this Agreement, the compliance by such Backstop Party with all provisions hereof and the consummation of the transactions contemplated hereunder (i) will not conflict with or result in a breach or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time, or both), or result, except to the extent expressly provided in or contemplated by the Plan, in the acceleration of, or the creation of any lien under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Backstop Party is a party or by which such Backstop Party is bound or to which any of their properties or assets is subject; (ii) will not result in any violation of the

provisions of the organizational documents of such Backstop Party; and (iii) assuming the accuracy of the Company's representations and warranties in Section 5, will not result in any violation of, or any termination or material impairment of any rights under, any statute or any license, authorization, injunction, judgment, order, decree, rule or regulation of any Governmental Entity having jurisdiction over such Backstop Party or any of their properties, except in any such case described in clause (i) or clause (iii), as would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on the ability of such Backstop Party to perform its obligations under this Agreement, the Plan or the RSA.

(i) *Consents and Approvals*. Assuming the accuracy of the Company's representations and warranties in Section 5, no consent, approval, authorization, order, registration or qualification of or with any Governmental Entity having jurisdiction over such Backstop Party or any of its properties is required for the purchase of the Backstop Party Shares by the Backstop Parties hereunder and the execution and delivery by such Backstop Party of this Agreement and performance of and compliance by it with all of the provisions hereof and thereof (and the consummation of the transactions contemplated hereby and thereby), except (i) the entry of the Confirmation Order, (ii) filings, if any, pursuant to the HSR Act and the expiration or termination of all applicable waiting periods thereunder or any applicable notification, authorization, approval or consent under any other Antitrust Laws in connection with the transactions contemplated by this Agreement, (iii) the filing of any other corporate documents in connection with the transactions contemplated by this Agreement with applicable state filing agencies, (iv) such consents, approvals, authorizations, registrations or qualifications as may be required under foreign securities laws, federal securities laws or state securities or Blue Sky laws in connection with the offer and sale of the Equity Rights Offering Securities, Unsubscribed Shares and the Backstop Commitment Premium, and (v) such consents, approvals, authorizations, registrations or qualifications the absence of which would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on the ability of such Backstop Party to perform its obligations under this Agreement.

(j) *Sufficiency of Funds*. Such Backstop Party will have sufficient immediately available funds to perform all of its obligations under this Agreement, including the ability to make and complete the payment of the aggregate purchase price for such Backstop Party's Backstop Party Shares on the Backstop Funding Deadline.

(k) *No Brokers Fee*. Such Backstop Party is not a party to any contract, agreement or understanding with any Person that would give rise to a valid claim against the Company or any of its subsidiaries for a brokerage commission, finder's fee or like payment in connection with the Equity Rights Offering or the sale of the Backstop Party Shares.

(l) *No Undisclosed Agreements*. Such Backstop Party is not a party to any other contract or agreement with any other Consenting Creditor in respect of the Plan or distributions to be received under the Plan.

(m) *Ownership of Claims*. As of the date hereof, such Backstop Party or its Affiliates, as applicable, were, collectively, the beneficial owner (or investment advisor or manager for the beneficial owner) of the aggregate principal amount of Eligible Claims indicated on its or its Affiliates signature pages to the RSA, and (subject to the signature page limitations set forth in the RSA) has full power to vote and dispose thereof, and has not entered into any agreement to transfer the foregoing where such transfer would prohibit such Backstop Party from complying with its obligations hereunder or under the RSA.

Section 7. ADDITIONAL COVENANTS OF THE COMPANY. The Company agrees with the Backstop Parties as follows:

(a) *Plan and Disclosure Statement*. The Company shall: (i) file as soon as practicable after the Petition Date (and in any case consistent with the Milestones set forth in the RSA), the Plan and a related disclosure statement (the "**Disclosure Statement**") with the Bankruptcy Court, each in form and substance reasonably acceptable to the Required Backstop Parties or as otherwise approved pursuant to the terms of the RSA and (ii) seek the entry of a Confirmation Order by the Bankruptcy Court, in form and substance acceptable to the Required Backstop Parties and the Company, pursuant to the terms set forth in the RSA. The Company will, consistent with the requirements under the RSA, provide draft copies of all Definitive Documents (as defined in the RSA) to counsel to the Backstop Parties.

(b) *Motion to Approve this Agreement*. The Company shall (i) as soon as practicable after the Petition Date (but in no event more than seven (7) Business Days thereafter) file a motion to approve this Agreement with the Bankruptcy Court, in form and substance reasonably acceptable to the Required Backstop Parties or as otherwise approved pursuant to the terms of the RSA; and (ii) use commercially reasonable efforts to obtain the entry by the Bankruptcy Court of the Backstop Commitment Agreement Order consistent with the milestones set forth in the RSA.

(c) *Support of the Plan*. The Company agrees that, for the duration of the Agreement Effective Period (as defined in the RSA), the Company shall, and shall cause each of its subsidiaries included in the definition of "Company" in the RSA to use commercially reasonable efforts to (i) obtain approval of the Plan and consummate the Restructuring Transactions (as defined in the RSA), including timely filing any objection or opposition to any motion filed with the Bankruptcy Court seeking the entry of an order modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a plan of reorganization, directing the appointment of an examiner with expanded powers or a trustee, converting the Chapter 11 Cases or for relief that (A) is inconsistent with the RSA in any respect or (B) would, or would reasonably be expected to, frustrate the purposes of the RSA, including by preventing the consummation of the Restructuring Transactions and (ii) obtain orders of the Bankruptcy Court in respect of the Restructuring Transactions.

(d) *Equity Rights Offering*. The Debtors shall effectuate the Equity Rights Offering in accordance with the Plan and the Equity Rights Offering Procedures in all material respects.

(e) *Blue Sky*. The Debtors shall, on or before the Plan Effective Date, take such action as it shall reasonably determine is necessary in order to obtain an exemption for, or to qualify for sale or issuance to the Backstop Parties the Backstop Party Shares under applicable securities and "blue sky" laws of the states of the United States (or to obtain an exemption from such qualification) and any applicable foreign jurisdictions. The Debtors shall timely make all filings and reports relating to the offer and sale of the Backstop Party Shares required under applicable securities and "blue sky" laws of the states of the United States following the Plan Effective Date. The Debtors shall pay all fees and expenses in connection with satisfying its obligations under this Section 7(e).

(f) *Share Legend*. Each certificate evidencing New Common Stock issued in connection with the Equity Rights Offering conducted pursuant to the exemption from registration set forth in Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, including any New Common Stock that may be issued in satisfaction of the Backstop Commitment Premium, and each certificate issued in exchange for or upon the transfer of any such shares or warrants, shall be stamped or otherwise imprinted with a legend (the "**Legend**") in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER."

In the event that any such shares or warrants are uncertificated, such shares or warrants shall be subject to a restrictive notation substantially similar to the Legend in the stock ledger or other appropriate records maintained by the Reorganized CRC or agent and the term "Legend" shall include such restrictive notation.

(g) *Unsubscribed Shares*. The Company, in consultation with counsel for the Backstop Parties, shall determine the amount of Unsubscribed Shares, if any, and, in good faith, provide a Backstop Funding Notice that accurately reflects the amount of Unsubscribed Shares as so determined and to provide to the Backstop Parties a certification by the Subscription Agent of the Unsubscribed Shares or, if such certification is not available, such written backup to the determination of the Unsubscribed Shares as the Backstop Parties may reasonably request.

(h) *Approvals*. Except as set forth in this Agreement or with the prior written consent of the Required Backstop Parties, during the period from the date of this Agreement to the earlier of the Plan Effective Date and the date on which this Agreement

is terminated in accordance with its terms, the Company and each of its subsidiaries shall use commercially reasonable efforts to take all actions and prepare and file all necessary documentation as promptly as reasonably practicable (including by reasonably cooperating with the Backstop Parties as to the appropriate time of filing such documentation and its content) and to effect all applications that are necessary in connection with seeking any governmental approval, exemption or authorization from any Governmental Entity, including under any Antitrust Laws, that are necessary to consummate and make effective the transactions contemplated by this Agreement. Without limiting the foregoing, the Company and its subsidiaries will reasonably cooperate with the Backstop Parties in preparing and filing all necessary documentation and to effect all applications that are necessary in connection with seeking any governmental approval, exemption or authorization from any Governmental Entity. To the extent permitted by applicable law, the Company shall reasonably promptly notify the Backstop Parties (and furnish to them copies of, if requested) of any communications from Governmental Entities and shall not participate in any meeting with any such authority unless it consults with the Backstop Parties in advance to the extent permitted by applicable law and gives the Backstop Parties a reasonable opportunity to attend and participate thereat. The Company and each of its subsidiaries shall not take any action that is intended or reasonably likely to materially impede or delay the ability of the parties hereto to obtain any necessary approvals required for the transactions contemplated by this Agreement.

For purposes of this Agreement, "**Antitrust Laws**" means the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (the "**HSR Act**") and any similar law enforced by any governmental antitrust entity of any jurisdiction regarding pre-acquisition notifications for the purpose of competition reviews of mergers and acquisitions, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and all other applicable laws that are designed or intended to prohibit, restrict or regulate actions or transactions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition or effectuating foreign investment.

(i) *Conduct of Business*. Except as set forth in the Plan, the RSA, herein or with the prior consent of the Required Backstop Parties (not to be unreasonably withheld, conditioned or delayed), the Company shall, and shall cause its subsidiaries to, (i) except to the extent inconsistent with the Bankruptcy Code or the Junior and Senior DIP Credit Agreements (as defined in the RSA), carry on its business in the ordinary course based on historical practices or as otherwise reasonably acceptable to the Required Backstop Parties, (ii) use commercially reasonable efforts to keep available the services of their current senior executive officers and key employees, (iii) use commercially reasonable efforts to preserve their material relationships with customers, suppliers, lessors, licensors, licensees, distributors and others having material business dealings with the Company or its subsidiaries in connection with its business.

Except (i) with the prior consent of the Required Backstop Parties (such consent not to be unreasonably withheld, conditioned or delayed) or (ii) as expressly provided in the Plan, the RSA, the Junior and Senior DIP Credit Agreements or herein from and after the date hereof until the Plan Effective Date, the Company shall not, and shall cause its subsidiaries not to, other than in the ordinary course of business:

(i) enter into any acquisition, merger with or other change of control of another business or any assets in an amount excess of $25,000,000;

(ii) dispose of any assets in an amount excess of $25,000,000;

(iii) enter into, or materially amend or modify, or terminate any Material Contract;

(iv) terminate one or more contracts that, in the aggregate, results in reduction of $25,000,000 or more in revenue of the Company and its consolidated subsidiaries on an annualized basis;

(v) enter into any new employee incentive plan, employee retention plan similar arrangement, or any new or amended agreement regarding employee compensation, deferred compensation or severance or termination arrangements, other than (x) as required pursuant to the terms of any existing employee benefit or compensation plan or contract, (y) in the case of any non-executive employee, in the ordinary course of business or (z) as agreed in connection with the RSA;

(vi) give effect to any non-maintenance capital expenditure in excess on a per-project basis of $5,000,000 contracted for following the date hereof that is not contemplated in the budget for the Junior DIP Credit Agreement;

(vii) enter into any Affiliate Agreements, except to the extent not prohibited by the Junior DIP Credit Agreement as in effect on the date hereof, without giving effect to any amendments or waivers thereto and whether or not such Junior DIP Credit Agreement remains in effect;

(viii) declare, set aside or pay any dividends or purchase, redeem, or otherwise acquire, except in connection with the Plan, any shares of capital stock, except to the extent not prohibited by the Junior DIP Credit Agreement as in effect on the date hereof, without giving effect to any amendments or waivers thereto and whether or not such Junior DIP Credit Agreement remains in effect;

(ix) issue, deliver, grant, sell, pledge or otherwise encumber any of its capital stock or any convertible securities into its capital stock or any of its assets, except to the extent required by the Junior DIP Credit Agreement, to the extent required by the Bankruptcy Court or to the extent not prohibited by the Junior DIP Credit Agreement as in effect on the date hereof, without giving effect to any amendments or waivers thereto and whether or not such Junior DIP Credit Agreement remains in effect;

(x) make, change or rescind any material election relating to Taxes, change the classification for income tax purposes of the Company or any of its Subsidiaries, change any accounting period for tax purposes, file any material amended Tax return, settle any audit or other proceeding relating to a material Tax, surrender any right to claim a material refund of Taxes, seek any Tax ruling from any taxing authority or take any other action, or fail to take an action, if such action or failure would reasonably be expected to result in material adverse Tax consequences with respect to a taxable period (or any part of a taxable period) after the Plan Effective Date;

(xi) become a party to, establish, adopt, amend or terminate any collective bargaining agreement or other agreement with a labor union, works council or similar organization;

(xii) amend its articles of incorporation, bylaws or other similar organizational documents (whether by merger, consolidation or otherwise), other than as contemplated by this Agreement, the Plan, the RSA or the other transactions contemplated thereby or as approved by the Bankruptcy Court;

(xiii) make any loans, advances or capital contributions to, or investments in, any other Person, other than in the ordinary course of business, except to the extent not prohibited by the Junior DIP Credit Agreement as in effect on the date hereof, without giving effect to any amendments or waivers thereto and whether or not such Junior DIP Credit Agreement remains in effect;

(xiv) settle any material litigation, investigation, arbitration, proceeding or other claim involving or against the Company or any of its subsidiaries, except to the extent not prohibited by the Junior DIP Credit Agreement as in effect on the date hereof, without giving effect to any amendments or waivers thereto and whether or not such Junior DIP Credit Agreement remains in effect; or

(xv) except as permitted above, agree, resolve or commit to do any of the foregoing.

Except with the prior consent of the Required Backstop Parties, the Company shall not, and shall cause its subsidiaries not to:

(xvi) seek resolution of any claims or any matter related to Elk Hills Power (as defined in the RSA) other than in a manner consistent with the RSA; or

(xvii) enter into any material amendment, alteration, supplementation, restatement or other modification of any of the Elk Hills Power Agreements (or the course of dealing thereunder), other than in a manner consistent with RSA.

(j) *Access to Information*. The Company and each of its subsidiaries shall (i) afford the Backstop Parties and their respective representatives, upon the reasonable request and notice of at least three (3) Business Days and no more than once every two

(2) week period from the date hereof until the Plan Effective Date, a status call with senior management of the Company and its subsidiaries and (ii) during such period, furnish promptly to such parties all reasonable information concerning the Company and its subsidiaries' business and properties as may reasonably be requested by any such party, such information to be consistent with the information required to be provided pursuant to the Junior and Senior DIP Credit Agreements, and directly related to a stated purpose for such request, *provided* that the foregoing shall not require the Company (x) to permit any inspection, or to disclose any information, that in the reasonable judgment of the Company would cause the Company to violate any of its obligations with respect to confidentiality to a third party, (y) to disclose any legally privileged information of the Company, or (z) to violate any applicable Laws or orders. The Backstop Parties shall, and shall cause their affiliates and their respective representatives to, treat and hold as confidential all such information exchanged or made available by the Company or any of its subsidiaries pursuant to this Section 7(j), except to the extent (A) such information becomes generally available to the public other than as a result of a breach of the terms of this Section 7(j) by the Backstop Parties or their affiliates or representatives, (B) such information is or has previously been disclosed to the Backstop Parties or their affiliates or representatives on a non-confidential basis by a third party; provided that such third party was not breaching an obligation of confidentiality to the Company or its subsidiaries that was known after reasonable inquiry by the Backstop Parties or their affiliates or their representatives, (C) such information was independently developed by the Backstop Parties or their subsidiaries or their representatives without violating any of their obligations under this Section 7(j) and without use of, reference to or reliance on any information provided subject to the terms of this Section 7(j), or (D) the Backstop Parties or their affiliates or representatives are compelled to disclose such information by judicial or administrative process or by other requirements of applicable Law. Nothing in this clause (i) shall require the Company or any of its subsidiaries to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Backstop Party to transfer any security of, or claim or interest in, the Company or any of its subsidiaries.

(k) *Further Assurances*. Without in any way limiting any other obligation of the Company and its subsidiaries in this Agreement, the Company and its subsidiaries shall use commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, and as any Backstop Party may reasonably request, in order to consummate and make effective the transactions contemplated by this Agreement. The Company furthermore agrees that it shall perform, and cause its subsidiaries to perform, any and all of its covenants, agreements and obligations under this Agreement and not take any actions that would be inconsistent with such obligations.

(l) *Alternative Restructuring Proposals*.

(1) From the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Plan Effective Date, (A) the Company and its Affiliates shall, and shall instruct, direct and cause any Person acting on the

Company's behalf to, immediately cease and terminate any ongoing solicitation, discussions and negotiations with respect to any Alternative Restructuring Proposal (as defined in the RSA), in each case applicable to the Company and each Backstop Party, and (B) the Company and its Affiliates shall not, and the Company and its Affiliates shall instruct, direct and cause any Person acting on the Company's behalf not to, directly or indirectly, initiate, solicit, engage in or participate in any discussions, inquiries or negotiations in connection with any proposal or offer relating to an Alternative Restructuring Proposal, afford access to the business, properties, assets, books or records of or provide any non-public information relating to the Company or any of its subsidiaries to, otherwise cooperate in any way with, or knowingly assist, participate in, facilitate or encourage any effort by any Person with respect to any Alternative Restructuring Proposal that such Person is seeking to make or has made. It is agreed that any violation of the restrictions on the Company set forth in this Section 7(l) by any Affiliate of the Company or any representative of the Company or any of its Affiliates or any Person acting on the Company's behalf shall be deemed a breach of this Section 7(l) by the Company.

(2) Notwithstanding the foregoing clause (a)(1), if following the date of this Agreement, the Company or any of its Affiliates receives a bona fide unsolicited Alternative Restructuring Proposal (whether written or unwritten) from any Person not solicited by the Company or its Affiliates in violation of this Section 7(l) that the board of directors of the Company (the "**Company Board**") has determined in good faith, after consulting with counsel, that failure of the Company Board to consider such Alternative Restructuring Proposal would reasonably be expected to be inconsistent with the Company Board's fiduciary duties under applicable laws of the State of Delaware, the Company and its subsidiaries and their respective directors, officers, employees, investment bankers, attorneys, accountants, consultants and other advisors or representatives shall have right to (i) consider, respond to and facilitate any inquiries, proposals, discussion or negotiations of such Alternative Restructuring Proposal and (ii) enter into discussions or negotiations with respect to such Alternative Restructuring Proposal; *provided* that the Company shall (x) within one calendar day of receiving such proposal, notify counsel to the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors, and the Ares Advisors (as defined in the RSA) of the receipt of such proposal and deliver a copy of such proposal to the Ad Hoc Group Advisors and Ares Advisors; (y) provide the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors, and Ares Advisors with regular updates as to the status and progress of such Alternative Restructuring Proposal; and (z) use commercially reasonable efforts to respond promptly to reasonable information requests and questions from the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors, and Ares Advisors relating to such Alternative Restructuring Proposal; *provided further* that the Company shall not enter into any confidentiality agreement with any Party in connection with the an Alternative Restructuring Proposal without written notice by the Company to the Ad Hoc Group Advisors and the Crossover Ad Hoc Group Advisors prior to entry into such non-disclosure agreement, as well as written notice to the Ad Hoc Group Advisors upon execution of any such non-disclosure agreement.

(3) Prior to the earlier of the occurrence of the Plan Effective Date and the termination of this Agreement in accordance with its terms, if any of the Company or any of its Affiliates or any Person acting on its behalf determines to file, support, make a written proposal or counterproposal to any Person relating to an Alternative Restructuring Proposal, the Company shall notify the Ad Hoc Group Advisors, the Crossover Ad Hoc Group Advisors, and Ares Advisors in advance of taking any such action, which notice shall specify the identity of the Person making such Alternative Restructuring Proposal and all of the material terms and conditions of such Alternative Restructuring Proposal and attach the most current version of any proposed transaction agreement (and any related agreements) providing for such Alternative Restructuring Proposal. Upon receipt by the Ad Hoc Group Advisors of any notice pursuant to the clause, Backstop Parties constituting Required Backstop Parties shall have the right to terminate this Agreement.

Section 8. ADDITIONAL COVENANTS OF THE BACKSTOP PARTIES. Each of the Backstop Parties agrees with the Company, severally and not jointly, as follows:

(a) *Approvals*. Except as set forth in this Agreement or with the prior written consent of the Company, during the period from the date of this Agreement to the earlier of the Plan Effective Date and the date on which this Agreement is terminated in accordance with its terms, the Backstop Parties shall use reasonable efforts to reasonably promptly take all actions and prepare and file all necessary documentation (including by reasonably cooperating with the Company as to the appropriate time of filing such documentation and its content) and to effect all applications that are necessary in connection with seeking any governmental approval, exemption or authorization from any Governmental Entity under any Antitrust Laws, that are necessary to consummate and make effective the transactions contemplated by this Agreement.

(b) *Further Assurances*. Without in any way limiting any other obligation of the Backstop Parties in this Agreement, the Backstop Parties shall use commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, and as the Company may reasonably request, in order to consummate and make effective the transactions contemplated by this Agreement.

Section 9. SUPPORT OF PLAN AND RSA. Each Backstop Party agrees that, for the duration of the Agreement Effective Period, such Backstop Party shall comply with Section 5.03 of the RSA, to the extent applicable.

Section 10. CONDITIONS TO THE OBLIGATIONS OF THE BACKSTOP PARTIES. The obligations of the Backstop Parties to purchase Equity Rights Offering Securities and Unsubscribed Shares pursuant to their respective Backstop Commitments on the Plan Effective Date are subject to the satisfaction of the following conditions (unless waived by the Required Backstop Parties), except where failure to satisfy any such condition results solely from the failure by any Backstop Party to comply with this Agreement:

(a) *Plan and Confirmation Order*. The Plan, as approved, and the Confirmation Order, as entered by the Bankruptcy Court and which shall have become a final and non-appealable order which shall not have been stayed, reversed, vacated, amended, supplemented or otherwise modified, shall each be consistent in all material respects with the RSA or otherwise with such amendments, modifications or changes that are acceptable to the Required Backstop Parties.

(b) *Conditions to the Plan*. The conditions to the occurrence of the Plan Effective Date set forth in the Plan and the Confirmation Order shall have been satisfied in all material respects in accordance with the terms of the Plan or waived by the Required Backstop Parties, and the Plan Effective Date shall have occurred or be deemed to have occurred.

(c) *Equity Rights Offering*. The Reorganized CRC shall have commenced the Equity Rights Offering on the Subscription Commencement Date, the Equity Rights Offering shall have been conducted in all material respects in accordance with this Agreement and the Equity Rights Offering Procedures, and the Subscription Expiration Deadline shall have occurred.

(d) *Approvals*. All terminations or expirations of waiting periods imposed by any Governmental Entities required under the HSR Act or any other Antitrust Laws or any other applicable Law, shall have occurred and all other notifications, consents, authorizations and approvals required to be made or obtained from any Governmental Entities under any Antitrust Law or any other applicable Law shall have been made or obtained for the transactions contemplated by this Agreement.

(e) *Backstop Funding Notice*. The Backstop Parties shall have received a Backstop Funding Notice in accordance with Section 1(g).

(f) *Valid Issuance*. The Equity Rights Offering Securities shall be, upon (i) payment of the aggregate purchase price as provided herein and (ii) the Plan Effective Date, validly issued and outstanding, and free and clear of all Taxes, liens (other than transfer restrictions imposed hereunder or by applicable law), pre-emptive rights, rights of first refusal, subscription and similar rights, except as set forth herein, and other than liens pursuant to applicable securities laws.

(g) *No Restraint*. No judgment, injunction, decree or other legal restraint shall be in effect that prohibits the consummation of the Restructuring Transactions.

(h) *Representations and Warranties*. The representations and warranties of the Company contained in this Agreement shall be true and correct as of the date hereof and on and as of the Plan Effective Date as if made on and as of such date (or, to the extent made as of a specific date, as of such date).

(i) *Covenants*. The Reorganized CRC shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by it prior to the Plan Effective Date.

(j) *Backstop Commitment Premium.* All premiums and other amounts, including the Backstop Commitment Premium, required to be paid or reimbursed by the Reorganized CRC to the Backstop Parties as of the Plan Effective Date shall have been so paid or reimbursed (or shall be paid concurrently with the occurrence of the Plan Effective Date).

(k) *Material Adverse Effect*. Since the Reference Date, there shall not have occurred, and there shall not exist, any change, event, circumstance, effect, development, occurrence or state of facts that constitutes, individually or in the aggregate, a Material Adverse Effect.

(l) *Assumption of RSA.* The RSA shall have been assumed pursuant to the Confirmation Order, except as otherwise agreed to by or waived by the Required Backstop Parties.

(m) *No Termination of RSA.* No event shall have occurred that would result in termination of the RSA pursuant to Section 10 thereof.

(n) *Exit Financing*. The Reorganized CRC shall have obtained exit financing with the Exit Facility Documents (as defined in the RSA).

(o) *Officer's Certificate*. The Backstop Parties shall have received on and as of the Plan Effective Date a certificate of the chief executive officer or chief financial officer of the Company, in his or her capacity as such and not in his or her individual capacity, confirming that the conditions set forth in Section 10(h), Section 10(i) and Section 10(k) have been satisfied.

Section 11. CONDITIONS TO THE OBLIGATIONS OF THE COMPANY. The obligations of the Company pursuant to this Agreement are subject to satisfaction of the following conditions (unless waived by the Company):

(a) *Plan and Confirmation Order*. The Plan, as approved, and the Confirmation Order, as entered by the Bankruptcy Court and which shall have become a final order which shall not have been stayed, reversed, vacated, amended, supplemented or otherwise modified, shall each be consistent in all material respects with the RSA or otherwise with such amendments, modifications or changes that are acceptable to the Required Backstop Parties.

(b) *Conditions to the Plan*. The conditions to the occurrence of the Plan Effective Date set forth in the Plan and the Confirmation Order shall have been satisfied in all material respects in accordance with the terms of the Plan or waived by the Required Backstop Parties, and the Plan Effective Date shall have occurred or be deemed to have occurred.

(c) *Equity Rights Offering*. The Reorganized CRC shall have commenced the Equity Rights Offering on the Subscription Commencement Date, the Equity Rights Offering shall have been conducted in all material respects in accordance with this

Agreement and the Equity Rights Offering Procedures, and the Subscription Expiration Deadline shall have occurred.

(d) *Funding Amount.* Each Backstop Party shall have wired its Funding Amount into the bank account so designated by the Company.

(e) *Approvals*. All terminations or expirations of waiting periods imposed by any Governmental Entities required under the HSR Act or any other Antitrust Laws or any other applicable Law, shall have occurred and all other notifications, consents, authorizations and approvals required to be made or obtained from any Governmental Entities under any Antitrust Law or any other applicable Law shall have been made or obtained for the transactions contemplated by this Agreement.

(f) *Representations and Warranties*. The representations and warranties of the Backstop Parties set forth in this Agreement shall be true and correct, and those not so qualified shall be true and correct in all material respects, in each case, on and as of the date hereof and on and as of the Plan Effective Date as if made on and as of such date (or, to the extent given as of a specific date, as of such date).

(g) *Covenants*. The Backstop Parties shall have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by the Backstop Parties on or prior to the Plan Effective Date.

(h) *No Restraint*. No judgment, injunction, decree or other legal restraint shall be in effect that prohibits the consummation of the Restructuring Transactions.

Section 12. SURVIVAL. The representations, warranties, covenants and agreements made in this Agreement will not survive the Plan Effective Date, except that the covenants and agreements made in this Agreement that by their terms are to be satisfied after the Plan Effective Date shall survive until satisfied in accordance with their terms, subject to termination pursuant to Section 13, and further subject to Section 13(d).

Section 13. TERMINATION.

(a) *Termination*. This Agreement may be terminated by (i) by the mutual written consent of the Company and the Required Backstop Parties or (ii) either the Company or the Required Backstop Parties if the Plan Effective Date has not occurred on or prior to the date that is 150 days after the Petition Date (the "**Outside Date**") subject to the extension by the Required Backstop Parties; *provided* that no Backstop Party's Backstop Commitment may be extended to a date that is 180 days after the Petition Date without such Backstop Party's individual consent.

(b) *Termination by the Company*. The Company may terminate this Agreement by written notice to each Backstop Party upon the occurrence and during the continuance of any of the following:

(i) the termination of the RSA in accordance with its terms, other than due to a breach thereunder by the Company;

(ii) the occurrence of any Termination Event set forth in Section 12.03 of the RSA;

(iii) one or more Backstop Parties constituting Required Backstop Parties shall have breached any representation, warranty, covenant or other agreement made by such Backstop Parties in this Agreement, and such breach or inaccuracy would, individually or in the aggregate, result in a failure of a condition set forth in Section 11(d), Section 11(f) or Section 11(g), if continuing on the Plan Effective Date, being satisfied and such breach or inaccuracy is not cured by such Backstop Parties by the earlier of (1) the seventh (7th) Business Day after the giving of notice thereof to such Backstop Parties by the Company and (2) the Outside Date; *provided* that the Company shall not have the right to terminate this Agreement pursuant to this Section based upon a breach arising out of the actions or omissions of the Company in breach of this Agreement; *provided, further* that such termination under this Section shall not be effective if, prior to the expiration of the cure period, one or more non-breaching Backstop Party assumes such breaching Backstop Parties' Backstop Commitment;

(iv) the Bankruptcy Court denies entry of the Backstop Commitment Agreement Order or entry of the any order to assume the RSA or any order approving this Agreement, or the RSA is reversed, stayed, dismissed or vacated, except as otherwise agreed to by or waived by the Required Backstop Parties;

(v) A failure to satisfy a Milestone as set forth in the RSA or any other event or condition that could cause any condition precedent to commitments of the Backstop Parties set forth in Section 11 hereof not to be satisfied when required by this Agreement (in each case other than as a result of any breach by a Company Party) and the Required Backstop Parties shall not have waived such condition precedent and otherwise provided adequate assurances of performance promptly (and in no event more than ten (10) days) after the occurrence of such event or condition;

(vi) notice shall have been provided by the Company or any of its Affiliates or any Person acting on behalf of the Company that the Company Board reasonably determined in good faith, based upon the advice of counsel, that that it is necessary or appropriate in the exercise of its fiduciary duties under applicable law of the State of Delaware to terminate this Agreement and pursue an Alternative Restructuring Proposal;

(vii) the issuance by any Governmental Entity, including any regulatory authority or court of competent jurisdiction, of any final ruling, judgment or order enjoining the consummation of or rendering illegal the Restructuring

Transactions, the Equity Rights Offering, or any material aspect of the transactions contemplated by the RSA or this Agreement; or

(viii) the Bankruptcy Court enters an order denying confirmation of the Plan.

(c) *Termination by the Required Backstop Parties*. The Required Backstop Parties may terminate this Agreement by written notice to the Company upon the occurrence and during the continuance of any of the following:

(i) the Company or the Reorganized CRC shall have breached any representation, warranty, covenant or other agreement made thereby in this Agreement, and such breach or inaccuracy would, individually or in the aggregate, result in a failure of a condition set forth in Section 10(f), Section 10(h) or Section 10(i), if continuing on the Plan Effective Date, being satisfied and such breach or inaccuracy is not cured by the Company by the earlier of (1) the tenth (10th) Business Day after the giving of notice thereof to the Company by the Required Backstop Parties and (2) the Outside Date; *provided* that the Required Backstop Parties shall not have the right to terminate this Agreement pursuant to this Section if any Backstop Party is then in breach of any representation, warranty, covenant or other agreement hereunder that would result in the failure of any condition set forth in Section 11 being satisfied;

(ii) the Company breaches in any material respect the terms of Section 7(b) or Section 7(l) of this Agreement;

(iii) the Company files any pleading, motion or document with the Bankruptcy Court proposing or seeking approval of an Alternative Restructuring Proposal, (B) the Bankruptcy Court approves or authorizes an Alternative Restructuring Proposal at the request of any party in interest, or (C) the Company, its subsidiaries or any of its Affiliates enters into any Contract or written agreement in principle providing for the consummation of any Alternative Restructuring Proposal (or the public announcement of any of the foregoing);

(iv) the issuance by any Governmental Entity, including any regulatory authority or court of competent jurisdiction, of any final ruling, judgment or order enjoining the consummation of or rendering illegal the Restructuring Transactions;

(v) the RSA has been terminated in accordance with its terms under Section 7.02(f), except as a result of a breach of the RSA by any of the Parties constituting the Required Backstop Parties;

(vi) The occurrence of any Termination Event set forth in Section 12.01 of the RSA;

(vii) the Bankruptcy Court denies entry of the Backstop Commitment Agreement Order or approves the Final DIP Order (as defined in the RSA) or Final 9019 Order (as defined in the RSA) prior to approval of the Backstop Commitment Agreement Order (unless otherwise agreed or waived by the Required Backstop Parties); or

(viii) the Bankruptcy Court denies entry of the Backstop Commitment Agreement Order or entry of the any order to assume the RSA or any order approving this Agreement, or the RSA is reversed, stayed, dismissed or vacated, except as otherwise agreed to by or waived by the Required Backstop Parties.

(d) *Effect of Termination*. Subject to Section 16, upon termination of this Agreement, each party hereto shall be released from its commitments, undertakings and agreements under or related to this Agreement and shall have the rights and remedies that it would have had and shall be entitled to take all actions, whether with respect to the transactions contemplated hereby or otherwise, that it would have been entitled to take had it not entered into this Agreement. Notwithstanding anything contained herein, if this Agreement is terminated as a result of a breach of this Agreement by a party hereto, such party shall not be released and shall remain liable for any damages resulting from such termination.

(e) *Termination Payment Amount*. If this Agreement is terminated for any reason, the Company shall pay a cash premium in the aggregate amount of $22.5 million, within ten business days of such termination to each Backstop Party in the amount opposite the name of such Backstop Party on **Schedule 2** hereto (plus any Transaction Expenses) (the "**Termination Payment Amount**"), *provided* that (i) no Backstop Party shall be paid its Termination Payment Amount if such Backstop Party is a Defaulting Backstop Party at the time of termination and such Defaulting Backstop Party's Termination Payment Amount shall be forfeited and retained by the Company and (ii) no Termination Payment Amount shall be paid to any Backstop Party if this Agreement or the RSA shall have been terminated (A) by the Company or the Required Consenting Creditors in accordance with its terms as a result a material breach by one or more Backstop Parties constituting the Required Backstop Parties or (B) by the Required Consenting Creditors due to the failure of the Company to satisfy any of the Milestones set to occur prior to the Outside Date. Subject only to the approval of this Agreement by the Bankruptcy Court, to the extent payable in accordance with Section 13(e), the Termination Payment Amount shall constitute an allowed administrative expense of the Debtors' estate under Sections 503(b) and 507 of the Bankruptcy Code, which, for the avoidance of doubt, shall be *pari passu* with all other administrative expenses of the Debtors' estate.

Section 14. INDEMNIFICATION OBLIGATIONS.

(a) *Company Indemnity*. Following entry by the Bankruptcy Court of the Backstop Commitment Agreement Order, but effective as of the date hereof, the Reorganized CRC (the "**Indemnifying Party**") shall indemnify and hold harmless each

Backstop Party and its Affiliates, equity holders, members, partners, general partners, managers and its and their respective representatives and controlling persons (each, an "**Indemnified Person**") from and against any and all losses, claims, damages, liabilities and costs and expenses (other than Taxes of the Backstop Parties, except to the extent otherwise provided for in this Agreement) (collectively, "**Losses**") that any such Indemnified Person may incur or to which any such Indemnified Person may become subject arising out of or in connection with this Agreement, the Plan and the transactions contemplated hereby and thereby, including the Backstop Commitments, the Equity Rights Offering, the payment of the Backstop Commitment Premium or the use of the proceeds of the Equity Rights Offering, the Transaction Expenses or any claim, challenge, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnified Person is a party thereto, whether or not such proceedings are brought by the Company or its equity holders, Affiliates, creditors or any other Person, and reimburse each Indemnified Person upon demand for reasonable documented (with such documentation subject to redaction to preserve attorney client and work product privileges) legal or other third party expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including in connection with the enforcement of the indemnification obligations set forth herein), irrespective of whether or not the transactions contemplated by this Agreement or the Plan are consummated or whether or not this Agreement is terminated; *provided*, that the foregoing indemnity will not, as to any Indemnified Person, apply to Losses (i) as to any Defaulting Backstop Party or any Indemnified Person related thereto, caused by such default by such Backstop Party, or (ii) to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to arise from the bad faith or willful misconduct of such Indemnified Person.

(b) *Indemnification Procedure*. Promptly after receipt by an Indemnified Person of notice of the commencement of any claim, challenge, litigation, investigation or proceeding (an "**Indemnified Claim**"), such Indemnified Person will, if a claim is to be made hereunder against the Indemnified Person in respect thereof, notify the Indemnifying Party in writing of the commencement thereof; *provided*, that (A) the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have hereunder except to the extent it has been materially prejudiced by such failure and (B) the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have to such Indemnified Person otherwise than on account of this Section 14. In case any such Indemnified Claims are brought against any Indemnified Person and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein, and, at its election by providing written notice to such Indemnified Person, the Indemnifying Party will be entitled to assume the defense thereof, with counsel reasonably acceptable to such Indemnified Person; *provided*, that if the parties (including any impleaded parties) to any such Indemnified Claims include both such Indemnified Person and the Indemnifying Party and based on advice of such Indemnified Person's counsel there are legal defenses available to such Indemnified Person that are different from or additional to those available to the Indemnifying Party, such Indemnified Person

shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such Indemnified Claims. Upon receipt of notice from the Indemnifying Party to such Indemnified Person of its election to so assume the defense of such Indemnified Claims with counsel reasonably acceptable to the Indemnified Person, the Indemnifying Party shall not be liable to such Indemnified Person for expenses incurred by such Indemnified Person in connection with the defense thereof or participation therein (other than reasonable costs of investigation) unless (i) such Indemnified Person shall have employed separate counsel (in addition to any local counsel) in connection with the assertion of legal defenses in accordance with the proviso to the immediately preceding sentence (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel representing the Indemnified Persons who are parties to such Indemnified Claims (in addition to one local counsel in each jurisdiction in which local counsel is required)), (ii) the Indemnifying Party shall not have employed counsel reasonably acceptable to such Indemnified Person to represent such Indemnified Person within a reasonable time after the Indemnifying Party has received notice of commencement of the Indemnified Claims from, or delivered on behalf of, the Indemnified Person, (iii) after the Indemnifying Party assumes the defense of the Indemnified Claims, the Indemnified Person determines in good faith that the Indemnifying Party has failed or is failing to defend such claim and provides written notice of such determination, and such failure is not reasonably cured within ten (10) Business Days of receipt of such notice, or (iv) the Indemnifying Party shall have authorized in writing the employment of counsel for such Indemnified Person. Notwithstanding anything herein to the contrary, the Company shall have sole control over any Tax controversy or Tax audit and shall be permitted to settle any liability for Taxes of the Company.

(c) *Settlement of Indemnified Claims*. The Indemnifying Party shall not be liable for any settlement of any Indemnified Claims effected by such Indemnified Person without the written consent of the Indemnifying Party. If any settlement of any Indemnified Claims is consummated with the written consent of the Indemnifying Party or if there is a final judgment for the plaintiff in any such Indemnified Claims, the Indemnifying Party agrees to indemnify and hold harmless each Indemnified Person from and against any and all Losses by reason of such settlement or judgment to the extent such Losses are otherwise subject to indemnification by the Indemnifying Party hereunder in accordance with, and subject to the limitations of, this Section 14. The Indemnifying Party shall not, without the prior written consent of an Indemnified Person (which consent shall be granted or withheld, conditioned or delayed in the Indemnified Person's sole discretion), effect any settlement of any pending or threatened Indemnified Claims in respect of which indemnity or contribution has been sought hereunder by such Indemnified Person unless (i) such settlement includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability on the claims that are the subject matter of such Indemnified Claims and (ii) such settlement does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution*. If for any reason the foregoing indemnification is unavailable to any Indemnified Person or insufficient to hold it harmless from Losses that are subject to indemnification pursuant to Section 14(a), then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Person as a result of such Loss in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Party, on the one hand, and such Indemnified Person, on the other hand, but also the relative fault of the Indemnifying Party, on the one hand, and such Indemnified Person, on the other hand, as well as any relevant equitable considerations. It is hereby agreed that the relative benefits to the Indemnifying Party, on the one hand, and all Indemnified Persons, on the other hand, shall be deemed to be in the same proportion as (i) the total value received or proposed to be received by the Company pursuant to the issuance and sale of the Equity Rights Offering Securities in the Equity Rights Offering contemplated by this Agreement and the Plan, bears to (ii) the Backstop Commitment Premium paid or proposed to be paid to the Backstop Parties. The Indemnifying Parties also agree that no Indemnified Person shall have any liability based on their comparative or contributory negligence or otherwise to the Indemnifying Parties, any Person asserting claims on behalf of or in right of any of the Indemnifying Parties, or any other Person in connection with an Indemnified Claim.

(e) *Treatment of Indemnification Payments*. All amounts paid by an Indemnifying Party to an Indemnified Person under this Section 14 shall, to the extent permitted by applicable law, be treated for all Tax purposes as adjustments to the purchase price for the Equity Rights Offering Securities subscribed for by the Backstop Parties in the Equity Rights Offering and the Unsubscribed Shares purchased by such Indemnified Person. The provisions of this Section 14 are an integral part of the transactions contemplated by this Agreement and without these provisions the Backstop Parties would not have entered into this Agreement, and the obligations of the Company under this Section 14 shall constitute allowed administrative expenses of the Debtors' estate under Sections 503(b) and 507 of the Bankruptcy Code, which, for the avoidance of doubt, shall be *pari passu* with all other administrative expenses of the Debtors' estate, and are payable without further order of the Bankruptcy Court, and the Company may comply with the requirements of this Section 14 without further order of the Bankruptcy Court.

Section 15. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt), (b) when sent by facsimile (with written confirmation of transmission), (c) five (5) days after being deposited with the United States Post Office, by registered or certified mail, postage prepaid, (d) one (1) Business Day following the day sent by overnight courier (with written confirmation of receipt), or (e) when sent by electronic mail (with acknowledgment received), in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as a party hereto may have specified by like notice):

If to Backstop Parties, to each of the undersigned Backstop Parties at the addresses listed on the signatures pages hereto,

in the case of Backstop Parties, with a copy to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Attention: Damian S. Schaible
Angela Libby
Jonah Peppiatt
Email: damian.schaible@davispolk.com
angela.libby@davispolk.com
jonah.peppiatt@davispolk.com

and

If to the Company, to:

California Resources Corporation
27200 Tourney Road, Suite 200
Santa Clarita, California 91355
Attention: Michael L. Preston
Email: Michael.preston@crc.com

with a copy to (which shall not constitute notice):

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 20004
Attention:Alison S. Ressler
Andrew G. Dietderich
James L. Bromley
Email: resslera@sullcrom.com
dietdericha@sullcrom.com
bromleyj@sullcrom.com

Section 16. SURVIVAL. Notwithstanding the termination of this Agreement, the agreements and obligations of the parties hereto in and Sections 2(b), 13(d), 13(e) and 14 through Section 22 shall survive such termination and shall continue in full force and effect for the benefit of the parties hereto in accordance with the terms hereof.

Section 17. ASSIGNMENT; THIRD PARTY BENEFICIARIES. Neither this Agreement nor any of the rights, interests or obligations under this

Agreement may be assigned by any of the parties hereto without the prior written consent of the Company, with respect to any assignment by any Backstop Party, or the Required Backstop Parties, with respect to any assignment by the Company. Notwithstanding the previous sentence, the Backstop Parties' obligations hereunder may be assigned, delegated or transferred, in whole or in part, without the Company's consent by any Backstop Party in accordance with the terms of Section 3 or Section 4. Any purported assignment in violation of this Section 17 shall be void *ab initio* and of no force or effect.

Section 18. COMPLETE AGREEMENT. This Agreement is the backstop commitment agreement referred to in the RSA and this Agreement (including the Exhibits, the Schedules, and the other documents and instruments referred to herein and in the RSA) constitutes the entire agreement of the parties hereto and supersedes all prior agreements, arrangements or understandings, whether written or oral, among the parties hereto with respect to the subject matter of this Agreement (including the Backstop Commitment Term Sheet referred to in the RSA), except that the parties hereto acknowledge that any confidentiality agreements heretofore executed among the parties hereto and the RSA will continue in full force and effect.

Section 19. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. This Agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement (including the exhibits and schedules hereto), or the negotiation, execution, termination, performance or nonperformance of this Agreement (including the exhibits and schedules hereto), shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and performed in such State, without regard to any conflict of laws principles thereof, and, to the extent applicable, the Bankruptcy Code. Each party hereto agrees that it shall bring any action or proceeding in respect of any claim based upon, arising out of, or related to this agreement, any provision hereof or any of the transactions contemplated hereby, in the United States District Court for the Southern District of New York or any New York State court sitting in the Borough of Manhattan of New York City (the "**Chosen Courts**"), and solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts and (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto; *provided* that upon the commencement of the Chapter 11 Cases, the Bankruptcy Court shall be the sole Chosen Court. Each party hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. EACH PARTY HERETO WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, MATTER OR PROCEEDING BASED UPON,

ARISING OUT OF, OR RELATED TO THIS AGREEMENT, ANY PROVISION HEREOF OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 20. COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the parties hereto and delivered to the other parties hereto (including via facsimile or other electronic transmission), it being understood that each party need not sign the same counterpart.

Section 21. CONSENT OR APPROVAL OF THE BACKSTOP PARTIES. Whenever this Agreement refers to any consent or approval to be given by, or determination to be made by, the Backstop Parties, unless otherwise expressly provided in any particular instance, such reference shall be deemed to require the consent, approval or determination of the Required Backstop Parties only (and not any other Backstop Parties).

Section 22. AMENDMENTS AND WAIVERS.

(a) This Agreement may be amended, modified or supplemented and the terms and conditions of this Agreement may be waived, only by a written instrument signed by the Company and the Required Backstop Parties and subject, to the extent required after the Petition Date, to the approval of the Bankruptcy Court; *provided* that any modification of, or amendment or supplement to, this Agreement that would have the effect of (i) increasing any Backstop Party's aggregate purchase price to be paid in respect of its Backstop Party Shares, (ii) modifying any Backstop Party's *pro rata* share of the Backstop Commitment Percentage, Backstop Commitment Premium, Termination Payment Amount, Tranche A Minimum Allocation, Tranche B Minimum Allocation or Allocation Adjustment Credit relative to the other Backstop Parties' *pro rata* share of the same, *provided*, that after entry of the Backstop Commitment Agreement Order, any modification of the Backstop Commitment Percentage, Backstop Commitment Premium, Termination Payment Amount, Tranche A Minimum Allocation, Tranche B Minimum Allocation or Allocation Adjustment Credit shall require the consent of each affected Backstop Party, (iii) otherwise disproportionately (as compared to other Backstop Parties holdings Tranche A Minimum Allocations or Tranche B Minimum Allocations, as applicable) and materially adversely affect any Backstop Party, (iv) amending, modifying or supplementing the terms applicable to the Backstop Parties in respect of Section 13 (or any other amendment, modification or supplement in respect of the matters governed by Section 13 as are applicable to the Backstop Parties) or (v) modifying this Section 22, shall require the prior written consent of each Backstop Party.

(b) Any modification to the Backstop Commitment Percentage, the Backstop Commitment Premium, the Allocation Adjustment Credit or the Termination Payment Amount allocable to parties holding Tranche A Minimum Allocations shall require the consent of Backstop Parties holding at least 50% of the Tranche A Minimum Allocations.

(c) Any modification to the Backstop Commitment Percentage, the Backstop Commitment Premium, the Allocation Adjustment Credit or the Termination Payment Amount allocable to parties holding Tranche B Minimum Allocations shall require the consent of Backstop Parties holding at least 50% of the Tranche B Minimum Allocations, excluding all Backstop Parties holding both Tranche B Minimum Allocations and 2017 Term Loan Claims.

(d) The terms of the Tranche A Equity Rights Offering (including the Tranche A Minimum Allocation) may only be amended (i) in writing signed by each Company Party and the Required Backstop Parties holding at least 50% of the Tranche A Minimum Allocations or (ii) by email by both counsel to the Company Parties, on the one hand and counsel to the Ad Hoc Group representing that they are acting with the authority of the Backstop Parties holding 50% of the Tranche A Minimum Allocations, on the other.

(e) The terms of the Tranche B Equity Rights Offering (including the Tranche B Minimum Allocation) may only be amended (i) in writing signed by each Company Party and the Required Backstop Parties holding at least 50% of the Tranche B Minimum Allocations (excluding all Backstop Parties holding both Tranche B Minimum Allocations and 2017 Term Loan Claims) or (ii) by email by both counsel to the Company Parties, on the one hand and counsel to both the Crossover Ad Hoc Group and the Ad Hoc Group representing that they are acting with the authority of the Backstop Parties holding 50% of the Tranche B Minimum Allocations (excluding all Backstop Parties holding both Tranche B Minimum Allocations and 2017 Term Loan Claims), on the other.

(f) No delay on the part of any party hereto in exercising any right, power or privilege pursuant to this Agreement will operate as a waiver thereof, nor will any waiver on the part of any party hereto of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement. The rights and remedies provided pursuant to this Agreement are cumulative and are not exclusive of any rights or remedies which any party hereto otherwise may have at law or in equity.

Section 23. SPECIFIC PERFORMANCE; DAMAGES. The parties hereto acknowledge and agree that any breach of the terms of this Agreement would give rise to irreparable harm for which money damages would not be an adequate remedy and, accordingly, the parties hereto agree that in addition to any other remedies, each party hereto will be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting bond.

Section 24. OTHER INTERPRETIVE MATTERS.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply: (i) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and, if the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day; (ii) any reference in this Agreement to $ shall mean U.S. dollars; (iii) all exhibits and schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein and any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall be defined as set forth in this Agreement; (iv) words imparting the singular number only shall include the plural and vice versa; (v) the words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires; (vi) the word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it; (vii) the division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement; and (viii) all references in this Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified. References herein to the "Company" after the Plan Effective Date shall be deemed to be references to the "Reorganized CRC" and references to the "Company" prior to the Plan Effective Date shall be deemed to be references to the Company, in each case for all purposes of this Agreement.

(b) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provision of this Agreement.

(c) The obligations of each Backstop Party under this Agreement and the transactions contemplated herein and therein are several and not joint with the obligations of any other Backstop Party, and no Backstop Party shall be responsible in any way for the performance of the obligations of any other Backstop Party under this Agreement or the transactions contemplated herein. Nothing contained herein or in any other agreement referred to in this Agreement, and no action taken by any Backstop Party pursuant hereto shall be deemed to constitute the Backstop Parties as, and the Debtors acknowledges that the Backstop Parties do not so constitute, a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Backstop Parties are in any way acting in concert or as a group, including, without limitation, with respect to any agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Debtors or with respect to acting as a "group" within the meaning of Rule 13d-5 under the U.S. Securities Exchange Act of 1934, and the Debtors will not assert any such claim with respect to such obligations or the transactions contemplated by this Agreement and the Debtors

acknowledge that the Backstop Parties are not acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement. The Debtors acknowledge and each Backstop Party confirms that it has independently participated in the negotiation of the transactions contemplated herein with the advice of its own counsel and advisors. Each Backstop Party shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement and it shall not be necessary for any other Backstop Party to be joined as an additional party in any proceeding for such purpose. The use of a single agreement to effectuate the transactions contemplated herein was solely in the control of the Debtors, not the action or decision of any Backstop Party, and was done solely for the convenience of the Debtors and not because it was required or requested to do so by any Backstop Party. It is expressly understood and agreed that each provision contained in this Agreement is between the Backstop Parties and the Debtors, solely, and not between the Debtors and the Backstop Parties collectively and not between and among the Backstop Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

California Resources Corporation

By: /s/ Marshall D. Smith

Name: Marshall D. Smith

Title: Senior Executive Vice President and Chief Financial Officer

[BACKSTOP SIGNATORIES]

[*****]

Schedule 1

Debtor Entities

California Resources Corporation
California Heavy Oil, Inc.
California Resources Coles Levee, L.P.
California Resources Coles Levee, LLC
California Resources Elk Hills, LLC
California Resources Long Beach, Inc.
California Resources Mineral Holdings LLC
California Resources Petroleum Corporation
California Resources Production Corporation
California Resources Production Mineral Holdings, LLC
California Resources Real Estate Ventures, LLC
California Resources Royalty Holdings, LLC
California Resources Tidelands, Inc.
California Resources Wilmington, LLC
CRC Construction Services, LLC
CRC Marketing, Inc.
CRC Services, LLC
Monument Production, Inc.
Oso Verde Farms, LLC
Socal Holding, LLC
Southern San Joaquin Production, Inc.
Thums Long Beach Company
Tidelands Oil Production Company LLC

Schedule 2

Backstop Commitment Schedule

[*****]